99TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
99-711

# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATION BILL, 1987

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JULY 24, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. NATCHER, from the Committee on Appropriations, submitted the following

## REPORT

[To accompany H.R. 5233]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Labor, Health and Human Services (except the Food and Drug Administration, Indian Health Service, and the Office of Consumer Affairs), and Education (except Indian education and the Institute of Museum Services), the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the Federal Mine Safety and Health Review Commission, the National Commission on Libraries and Information Science, the National Council on the Handicapped, the National Labor Relations Board, the National Mediation Board, including the National Railroad Adjustment Board, the Occupational Safety and Health Review Commission, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the Railroad Retirement Board, and the Soldiers' and Airmen's Home for the fiscal year ending September 30, 1987, and for other purposes.

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## Summary of Estimates and Appropriations

The following table compares on a summary basis the appropriation for fiscal year 1986, the budget estimate for fiscal year 1987, and the Committee recommendations for fiscal year 1987 in the accompanying bill. In addition to these amounts, consideration of $8,414,107,000 of budget estimates for 1987 has been deferred because authorizations have not yet been enacted for these programs.

A large portion (75.5%) of the appropriations in the bill is for entitlement programs for which funding levels are determined by the basic authorizing legislation. The bill includes $78,793,369,000 for these entitlements in fiscal year 1987, an increase of $1,847,020,000 over the amount requested by the President and an increase of $4,380,838,000 above the amounts available for these programs in fiscal year 1986. For discretionary programs, in which spending is controlled through the annual appropriations bill, the bill includes $24,916,647,000 in fiscal year 1987 an increase of $4,118,231,000 over the President's budget and an increase of $2,276,493,000 over the amount available for fiscal year 1986.

[In thousands of dollars]

| | Fiscal year— | | 1987 bill | Fiscal year 1987 bill compared to— | |
|---|---|---|---|---|---|
| | 1986 post seq. | 1987 budget | | 1986 post seq. | 1987 estimate |
| Department of Labor | $6,303,652 | $5,897,429 | $5,524,294 | −$779,358 | −$373,135 |
| Department of Health and Human Services: | | | | | |
| Public Health Service: | | | | | |
| Health Resources and Services Administration | 1,280,566 | 993,174 | 1,287,068 | +6,502 | +293,894 |
| Centers for Disease Control | 441,100 | 425,255 | 518,254 | +77,154 | +92,999 |
| National Institutes of Health | 5,259,655 | 5,079,147 | 6,152,775 | +893,120 | +1,073,628 |
| Alcohol, Drug Abuse and Mental Health Administration | 848,237 | 818,303 | 929,787 | +81,550 | +111,484 |
| Assistant Secretary for Health | 166,048 | 187,970 | 185,553 | +19,505 | −2,417 |
| Subtotal, Public Health Service | 7,995,606 | 7,503,849 | 9,073,437 | +1,077,831 | +1,569,588 |
| Health Care Financing Administration | 37,399,954 | 38,649,655 | 40,290,892 | +2,890,938 | +1,641,237 |
| Social Security Administration | 15,648,392 | 15,433,538 | 16,447,480 | +799,088 | +1,013,942 |
| Child Support Enforcement | 426,085 | 599,633 | 599,633 | +173,548 | ..... |
| Human Development Services | 4,411,314 | 4,393,856 | 4,830,240 | +418,926 | +436,384 |
| Departmental Management | 199,738 | 158,320 | 161,820 | −37,918 | +3,500 |
| Total, HHS | 77,554,843 | 79,336,916 | 84,001,567 | +6,446,724 | +4,664,651 |
| Current year | (66,081,089) | (66,738,851) | (71,403,502) | (+5,322,413) | (+4,664,651) |
| Advances | (11,473,754) | (12,598,065) | (12,598,065) | (+1,124,311) | ..... |
| Department of Education | 12,377,434 | 11,911,099 | 13,369,231 | +991,797 | +1,458,132 |
| Related agencies | 805,054 | 599,321 | 814,924 | +9,870 | +215,603 |
| Section 515 Reserves | 11,702 | ..... | ..... | −11,702 | ..... |
| Grand total including advances | 97,052,685 | 97,744,765 | 103,710,016 | +6,657,331 | +5,965,251 |
| Mandatory | (74,412,531) | (76,946,349) | (78,793,369) | (+4,380,838) | (+1,847,020) |
| Discretionary | (22,640,154) | (20,798,416) | (24,916,647) | (+2,276,493) | (+4,118,231) |

## TOTAL APPROPRIATIONS FOR LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION PROGRAMS

In addition to the amounts included in the bill, very large sums are automatically appropriated each year for labor, health and human services, and education programs without consideration by the Congress during the annual appropriations process. The principal items in this category are the unemployment compensation, social security, medicare, and railroad retirement trust funds. The detailed estimates for the trust fund and permanent appropriations are reflected in a table appearing in the back of this report. In the aggregate, total budget authority for labor, health and human services, and education programs considered in this bill would increase from $420,569,642,000 in 1986 to $449,232,514,000 in 1987, an increase of $28,662,872,000. These elements are displayed in the following table:

[In thousands of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| | 1986 | 1987 | Change |
| Annual appropriation bill | $97,052,685 | $103,710,016 | +$6,657,331 |
| Trust funds and permanent appropriations | 351,663,445 | 373,749,498 | +22,086,053 |
| Deduct interfund payments | −28,146,488 | −28,227,000 | −80,512 |
| Total current action | 420,569,642 | 449,232,514 | +28,662,872 |

## HIGHLIGHTS OF THE BILL

*Acquired Immune Deficiency Syndrome (AIDS).*—Appropriates $336.8 million, an increase of $112.5 million over the amount available in fiscal year 1986 for research and other activities directed at prevention and treatment of this fatal disease.

*Discretionary programs.*—Appropriates $24,917 million for discretionary programs, an increase of $4,118 million over the President's budget request and an increase of $2,276 million over the amount available in fiscal year 1986.

*Training and Employment Services.*—Appropriates $3,517 million for the Job Training Partnership Act, an increase of $607.5 million over the amount requested by the President.

*Community and migrant health.*—Includes $445.4 million for community and migrant health centers, an increase of $26.1 million over the President's budget and the maximum amount currently authorized for these centers.

*Maternal and child health.*—Includes $478 million for grants to states for preventive, rehabilitative and primary health services for high risk mothers and children. This is the maximum amount currently authorized for this program.

*Health professions.*—Includes $212.0 million to continue Federal assistance in training health professionals including nurses. This amount is $14.1 million over the amount available in 1986. The President's budget proposes to eliminate this activity.

*Biomedical Research.*—Appropriates $6,153 million for the National Institutes of Health, an increase of $1,073.6 million over the request and $893.1 million over the 1986 level. This amount includes $198.9 million for AIDS research. The bill includes $1,346 million for the National Cancer Institute, $921.4 million for the National Heart, Lung and Blood Institute, $491 million for the National Institute of Neurological and Communicative Disorders and Stroke, $515.5 million for the National Institute of Diabetes and Digestive and Kidney Diseases, $576.6 million for the National Institute of General Medical Sciences, $403.8 million for the National Institute of Allergy and Infectious Diseases, and $368.5 million for the National Institute of Child Health and Human Development.

*Centers for Disease Control.*—Appropriates $518.3 million for the Centers for Disease Control, an increase of $93 million over the President's request and $77.2 million above the amount available in FY 1986. This amount includes $87 million for AIDS activities, $70 million for childhood immunization, and $66.5 million for the sexually transmitted diseases program.

*Alcohol, Drug Abuse and Mental Health.*—Provides $929.8 million for Alcohol, Drug Abuse and Mental Health, an increase of $111.5 million over the President's request and an increase of $81.6 million over the amount available in FY 1986. This amount includes $490 million for the Alcohol, Drug Abuse and Mental Health Block Grant and $47.6 million for AIDS programs. The bill also includes $229 million for mental health research, an increase of $34.1 million over the President's request and $28.6 million over the amount available in 1986.

*Medicaid.*—Provides $25,880 million for Grants to States for fiscal year 1987, an increase of $1,172 million over the President's request, and an increase of $1,982 million over the amount appropriated for FY 1986.

*Social Security Administration.*—Provides for the expenditure of $4,011 million from the Social Security trust funds for administrative expenses. This is the same as the budget request and an increase of $163.5 million over the amount available in FY 1986.

*Human Development Services.*—Provides a total of $4,830 million for the Human Development Services programs, an increase of $436.4 million over the President's budget, and an increase of $418.9 million over the amount available in FY 1986. This includes restoration of the amount of $200 million for the Work Incentives program, which was proposed for elimination in the President's budget.

*Compensatory Education for the Disadvantaged.*—Appropriates $3,999 million for Chapter 1 of the Educational Consolidation and Improvement Act, an increase of $311 million over the amount requested by the President and an increase of $469.6 million over the amount available in FY 1986.

*Impact Aid.*—Provides $700 million for the Impact Aid program, an increase of $152 million above the President's request. This amount restores funding for category "b" children.

*Bilingual Education.*—Provides $179.6 million for Bilingual Education, an increase of $36.7 million over the President's budget request. This amount restores $30 million to the Emergency Immigrant Education Program.

*Vocational and Adult Education.*—Appropriates $1,016 million for vocational and adult education, an increase of $511.5 million over the budget request and $116 million over the amount available in FY 1986.

*Guaranteed Student Loans.*—Appropriates $3,394 million, an increase of $134 million over the amount available in FY 1986 and a decrease of $66.2 million below the budget request.

*Libraries.*—Provides $130,000,000 to expand public library programs. There was no budget request for these programs.

*Corporation for Public Broadcasting.*—Appropriates $214 million for the Corporation for Public Broadcasting for the advance appropriation for FY 1989. This is an increase of $84 million over the President's budget but the same amount advanced for FY 1988.

## TITLE I—DEPARTMENT OF LABOR

### Employment and Training Administration

#### PROGRAM ADMINISTRATION

The bill includes $67,363,000 from general funds, an increase of $4,404,000 over the budget request and $2,311,000 more than the comparable 1986 amount. In addition the bill includes authority to expend $44,763,000 from the Employment Security Administration Account of the Unemployment Trust Fund, $5,000,000 less than the budget request and $4,046,000 over the comparable 1986 amount. The total funding included for this account, $112,126,000, is $596,000 under the request and $6,357,000 more than the comparable 1986 amount.

General funds in this account provide for the Federal staff to administer employment and training programs under the Job Training Partnership Act, Older Americans Act, the Trade Act, National Apprenticeship Act and Immigration and Nationality Act. Trust funds provide for Federal administration of employment security functions under Title III of the Social Security Act. Federal staff costs for activities related to employment service functions under the Wagner-Peyser Act are split 97 percent to three percent, respectively, between unemployment trust funds and general revenue.

The Committee has funded 1,725 full-time equivalent (FTE) staff, a net increase of 66 over the request and 38 less than the comparable 1986 FTE level.

The Committee has increased the request by 40 staff years and $2,505,000 to provide for continuation of the Federal Job Corps staff at the 1986 level. The Committee does not accept the Administration's proposal to reduce the Job Corps.

The Committee has restored 30 staff years and $2,119,000 to maintain current staffing for the Office of Trade Adjustment Assistance. The budget request assumed that the program would not be reauthorized.

The Committee has reduced the requested program increase of $10,000,000 for expanded unemployment research and demonstration pilot projects by $5,000,000. The Committee feels that $5,000,000 will be more than adequate for this new area of research. The Committee agrees to the program increase of $205,000

for increased travel for the unemployment insurance quality control program.

Four staff years and $220,000 budgeted for phaseout activities of the WIN program have been deleted by the Committee. The WIN program will continue in 1987. The Committee agrees with the program decreases of $1,884,000 proposed for space consolidation, productivity, and reduced monitoring and oversight.

Mandatory increases, consisting of within-grade promotions, merit pay, annualization of positions and non-personal service costs, and mandatory decreases, consisting of space consolidation, the move to a new headquarters, reduction of ADP, and payments to former personnel are accepted as proposed in the request.

TRAINING AND EMPLOYMENT SERVICES

The Committee recommends $3,543,121,000 for this account which provides funding authorized primarily by the Job Training Partnership Act. This is an increase of $633,513,000 over the President's budget request and $206,758,000 above the comparable 1986 level, as reduced by Gramm-Rudman sequestrations. Training and Employment Services is comprised of programs designed to enhance the employment and earnings of economically disadvantaged and dislocated workers, operated through a decentralized system of skill training and related services. As required by the Job Training Partnership Act, this appropriation is forward funded on a July to June cycle. Funds provided for fiscal year 1987 will support the program from July 1, 1987 through June 30, 1988.

The account is comprised of two activities—Grants to States and Federally-administered Programs. Grants to States for year-round job training programs, dislocated workers assistance programs, and the summer youth employment and training program give Governors the primary responsibility for the operation of training programs in their States. In partnership with the private sector and all levels of government, training programs emphasize increasing participant skills and private sector placement.

Separate programs designed to meet the training and employment needs of specific population segments experiencing unique problems account for the bulk of funds provided for Federally-administered programs. Programs for Indians and Native Americans as well as for migrant and seasonal farmworkers will continue. A program authorized by title IV of the JTPA for veterans in need of training and employment assistance will be continued. The Job Corps will continue to provide opportunities for severely disadvantaged youth.

*Job training—Title II–A*

For job training programs under title II–A of the Act, the bill provides $1,820,000,000, an increase of $36,915,000 above the 1986 level, and the same amount requested in the budget. This will provide a program level of about 319,000 average enrollments, a slight decrease from the 1986 anticipated level. These programs are operated at the local level through service delivery areas designated by the Governor. Each area has a private industry council to provide guidance and oversight with respect to activities under that area's

job training plan, in partnership with the unit or units of general local government in the areas. The private industry council has a majority of its membership from representatives of the private sector, with representatives from educational agencies, organized labor, and other groups in the area as well.

*Summer youth employment—Title II-B*

The bill includes $664,549,000 for the summer youth employment and training program for the summer of 1988, which is an increase of $28,573,000 above the level provided in 1986 for the summer of 1987 and an increase of $236,549,000 above the budget request. The amount provided is expected to result in 635,000 participants in the summer of 1988, the same as the summer of 1987. Although the appropriation is higher, the number of participants stays the same because of reduced carryover availability in the summer of 1988. The Committee has not included bill language requested by the Department which would permit the Secretary to determine the best method of allocating these funds. This is a matter for the Congress to determine. Instead, the Committee has included the reallocation language carried in last year's appropriations bill.

*Dislocated workers—Title III*

The bill includes $150,000,000 for the dislocated worker assistance program for program year 1987, an increase of $54,298,000 above the 1986 level and $50,000,000 above the budget request. This program is designed to assist those workers who are permanently displaced from their jobs because of structural changes in the economy. It is administered by the States, and activities include job search assistance, retraining, relocation assistance, and support services. The law states that 75% of the program's funding will be distributed by formula and 25% at the Secretary's discretion. The Committee has not included bill language requested by the Department to allow all funds provided to be distributed at the Secretary's discretion. An estimated 52,000 average enrollments will result from the amount provided, compared with approximately 72,500 in 1986. The reduction results from a significant decrease in available carryover funds in 1987. A 1986 supplemental request for this program was withdrawn by the Administration.

*Job Corps—Title IV-B*

For the Job Corps the bill provides $662,700,000, an increase of $310,964,000 above the budget request and $50,220,000 above the 1986 level. The 1987 request was premised on the assumption that a requested 1986 rescission would be enacted, thereby reducing the current Job Corps capacity of 40,544 slots at 106 centers by approximately one-half, and requiring only $351,736,000 to maintain those slots in 1987. The request was denied and the amount in the bill will support 40,544 slots at 106 centers in 1987, the same level supported for 1986. This program has been highly effective over a period of many years in preparing extremely disadvantaged young people for productive lives. Although it is not an inexpensive program, when the social costs of significantly reducing it are taken into account, the Committee believes it is well worth the price.

The Committee has included bill language that extends the prohibition of Job Corps center closings until July 1, 1988. The recently-enacted 1986 Urgent Supplemental Appropriations Bill prohibits any closings prior to July 1, 1987. The Committee believes that any program year 1986 funding problems as a result of this Congressional action can and will be resolved through administrative actions by the Department of Labor.

*Other federally-administered programs—Title IV*

For other Federally-administered programs, the bill provides $219,872,000, an increase of $35,634,000 above the 1986 level and $10,000,000 over the budget request. The Committee allowance includes funding for job training for native Americans ($60,060,000) and migrant and seasonal farmworkers ($58,240,000), veterans' training programs ($10,494,000), research and evaluation ($25,190,000), training and technical assistance ($5,900,000), labor market information ($4,290,000), commissions ($5,000,000), rural concentrated employment programs ($10,000,000), and pilot and demonstration programs ($40,698,000). Significant increases are included in the research and evaluation and the pilot and demonstration areas to enhance the Department's ability to examine how Federal resources can best be focused to assist those most in need of employment and training assistance.

In order to improve housing for migrant and seasonal farmworkers, the Committee expects the Department of Labor to continue funding the farmworkers housing program at a level no less than that in effect for program year 1986.

*Trade Act*

An amount of $26,000,000 is included in the bill for training, job search, and relocation assistance authorized by the Trade Act as extended by the Consolidated Omnibus Budget Reconciliation Act of 1985. This is the same as the original appropriation for 1986. This program is operated by the States to assist workers who have been adversely affected by foreign trade and have been so certified by the Department of Labor. The President's budget requests no funds for this activity.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

The bill includes $326,000,000 for community service employment for older Americans, an increase of $13,998,000 above the 1986 level and the same amount as the budget request. The program, authorized by title V of the Older Americans Act, provides part-time employment in community service activities for unemployed, low-income persons aged 55 and over. The program is forward funded from July to June, and the 1987 appropriation will support the effort from July 1, 1987 through June 30, 1988. The Committee allowance will provide an estimated 63,800 part-time jobs in 1987, compared with approximately 61,000 in 1986.

The title V program has amply demonstrated the valuable contribution that older workers can make in their communities. The Committee reaffirms its strong support for this effective program and encourages efforts to obtain greater minority and ethnic par-

ticipation. It is the intent of the Committee that the current sponsors continue to build upon their past accomplishments, and it is further expected that the Department of Labor will maintain substantially the existing status and method of operation so as to assure minimal disruption of this successful program. The Secretary of Labor should encourage the sponsors to continue their efforts to transfer program participants into private sector jobs.

The Committee has appropriated 78 percent of the funds for national sponsors, with the remaining 22 percent going to the States. The Committee believes that the national sponsors have done an exemplary job of operating this program.

The Committee encourages service delivery areas under the Job Training Partnership Act to make greater use of national sponsors under the community service employment program for older Americans as a means for enrolling more economically disadvantaged persons age 55 or older in training programs. Service delivery areas should continue to utilize State and area agencies on aging and increase their involvement in job training programs.

The Committee notes that the current average annual enrollee cost of $5,111 has been unchanged for five years, and that during that time program operating expenses—including costs of workers' compensation, insurance, telephone, office rent, and other related expenditures—have increased. The Committee requests the Department of Labor to conduct a study of these increased costs and the administrative actions that have been taken to absorb them. This study should be submitted to the Committee by February 15, 1987.

### FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

The bill includes $118,000,000, an increase of $108,000,000 over the comparable 1986 appropriation of $10,000,000.

The 1987 amount is to provide funding for two activities. The first is for payments to individuals covered under the Redwood National Park Expansion Act. These payments consist of benefits, health, and pension costs on behalf of individuals covered under the 1978 amendments to the Act, and total $4,000,000, $1,000,000 less than the $5,000,000 appropriated for these purposes in 1986.

The second activity funded under this appropriation is for benefit payments as authorized by the Trade Act of 1974 as amended. The authorization to make weekly benefit payments under the Trade Act has been extended through 1991 by the Consolidated Omnibus Budget Reconciliation Act of 1985. The $114,000,000 provided for these purposes is $109,000,000 more than the $5,000,000 appropriated in 1986, and will compensate an estimated 32,400 beneficiaries for an estimated average of 24 weeks of benefits each, for a total of 777,630 weeks of paid benefits.

The extension of the authority to pay weekly benefits under the Trade Act occurred after the initial appropriation for these benefits for 1986. Upon extension of the Act through 1991, additional funds were required to fund benefits for 1986. Such funds were available, to cover the estimated $102,000,000 additional need for Trade Act benefits, in another appropriated account, Advances to the Unemployment Trust Fund and Other Funds. These additional non-repayable advances raised the estimated amount available for Trade

Act weekly benefits in 1986 to $107,000,000. The true increase from 1986 to 1987 in the amount of weekly benefits paid from all sources under the Trade Act is therefore $7,000,000 rather than the $109,000,000 reflected in the Federal Unemployment Benefits and Allowances account alone.

### STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

The bill includes $2,513,233,000, an increase of $3,900,000 over the budget request and $140,026,000 over the comparable 1986 amount. The total includes an appropriation from general funds of $27,300,000, together with authorization to expend $2,485,933,000 from the Employment Security Administration account in the Unemployment Trust Fund. The funds in this account are used to pay the administrative costs of the unemployment insurance and employment service activities in the State Employment Security Agencies.

A net program increase of $44,302,000 is included for the unemployment insurance program to provide for timely processing of unemployment insurance workload, an expanded quality control program, conversion of State record systems and automation.

There is a net employment service program decrease of $27,136,000, mainly due to productivity savings.

Net built-in changes for both unemployment and employment services total to an increase of $126,771,000, mainly from increased personnel costs, inflation and workload growth.

For unemployment insurance services, the bill provides $1,731,600,000 including contingency amounts, the same amount as the budget request and $144,032,000 over the amount available for 1986. This will support 43,708 staff years, 1,528 more than provided in 1986. The bill includes $20,000,000 to upgrade State automated systems for benefit payment and collection of taxes. In addition the bill provides for expansion of the sample size utilized for quality control as well as $10,000,000 to cover conversion of State wage reporting systems.

In the employment service area the bill provides $781,633,000, an increase of $3,900,000 over the request and $4,006,000 less than the comparable 1986 amount. This will provide $755,200,000 for State grants for the period July 1, 1987 through June 30, 1988, nearly the same as the prior year. The Committee added $3,900,000 for administrative costs associated with worker retraining activities under the Trade Act. The budget request made no provision for this.

The Committee commends the Department for undertaking changes proposed in its recent administrative financing initiative. These changes, which include elimination of quarterly recapture, some reduction in State reporting and Federal monitoring, and consolidation of some contingency funding categories, should improve administration of the Unemployment Insurance System.

The Committee recommends that the Secretary give additional consideration to other proposals to strengthen the State role in the financial management and control of administrative funds for the System. The Secretary should report to the Committee prior to the

fiscal year 1988 budget hearings concerning further progress in this area.

In order to improve the States' ability to plan and manage their resources, the Committee has approved a modification of the appropriations language to permit the States to carry over balances in base unemployment insurance funds from one fiscal year to the first quarter of the next.

#### ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

The bill includes no funding for this account, a decrease of $464,785,000 from the comparable 1986 appropriation.

No new funds are necessary for this account as the several other funds which receive loans or advances from this account will not, according to estimates, need to draw any amounts over those already available and appropriated for the two-year period 1986/1987. The carryover amount at the end of 1986 is estimated to be $272.8 million.

### LABOR-MANAGEMENT SERVICES

#### SALARIES AND EXPENSES

The bill includes $62,275,000, the amount of the budget request and an increase of $7,444,000 over the 1986 level. This provides for 1,000 full-time equivalent (FTE) staff, which is 11 more than in 1986.

The Department of Labor will use these funds and staff resources to carry out its responsibilities under the Employee Retirement Income Security Act (ERISA) and the Labor-Management Reporting and Disclosure Act (LMRDA), to insure that fair and equitable protective arrangements are afforded employees affected by transportation and other Federal assistance programs, and to encourage voluntary, cooperative labor-management programs.

The bill includes $4,904,000 and 68 FTE's for the Bureau of Labor-Management Relations and Cooperative Programs, which includes promotion of voluntary, cooperative labor-management relations programs and assurance of protective arrangements for employees affected by Federal assistance programs. These levels represent an increase of $353,000 and a reduction of 1 FTE from 1986. The bill includes mandatory increases for this activity of $95,000 over 1986 for such things as within-grade increases, personnel benefit costs and space rental. The bill also includes program increases of $252,000 for increased training, research and publication activities and $110,000 for increased space rental charges. The mandatory and program increases are offset by $104,000 in program decreases, which reflect savings from productivity improvements and lower average grade costs as well as from reduced administrative and support service costs. The 1 FTE reduction reflects the phasedown in the Redwood program.

The Department's Labor-Management Standards activity, which covers enforcement of the LMRDA, receives $23,735,000 and 440 FTE's under the bill. This represents an increase of $1,083,000 and a reduction of 1 FTE from 1986 for this activity. Mandatory increases of $532,000 over 1986 are included in the bill. In addition, it

provides for program increases of $1,071,000 and 8 FTE's to restore reductions incurred in 1986 and $580,000 for increased space rental charges. The mandatory and program increases are offset by program decreases of $964,000 and 9 FTE's related to savings from productivity improvements and lower average grade costs and $82,000 related to reduced administrative and support services costs.

The Pension and Welfare Benefits Administration activity, which is responsible for ERISA enforcement, receives $33,636,000 and 492 FTE's. These levels represent an increase of $6,008,000 and 13 FTE's for this activity over 1986. The bill reflects mandatory increases of $592,000 over 1986 for this activity. It also provides program increases totalling $5,513,000, including, among other things, increases of $1,425,000 and 13 FTE's to restore reductions incurred in 1986, training and contractual expenditures, $800,000 to update and maintain the Department of Labor's longitudinal base of pension data, and $1,100,000 for development of a comprehensive ERISA data base system. The bill also includes a program decrease of $97,000 to reflect administrative and support services cost savings.

### Pension Benefit Guaranty Corporation

The bill includes the limitation language requested in the budget. This is a wholly-owned government corporation that was established by the Employee Retirement Income Security Act of 1974. The law places it within the Department of Labor and makes the Secretary of Labor the chairman of its board of directors. The Corporation is self-financing and receives its income primarily from insurance premiums collected from covered pension plans, collections of employer liabilities imposed by the Act, and investment earnings. It is also authorized to borrow up to $100 million from the Treasury. The primary purpose of the Corporation is to guarantee the payment of pension plan benefits to participants in the event that covered plans fail or go out of existence.

The Corporation's budget program for 1987 includes benefit payments of $289,600,000, multiemployer financial assistance of $3,100,000 and program administrative costs of $36,874,000. The budget includes 490 full time equivalent (FTE) staff. In the program administration activity, there is a net increase of $5,529,000 over the 1986 amount.

The Committee has approved the requested program increase of 10 FTE's and $1,408,000 to restore reductions taken in 1986; $2,512,000 to reduce backlogs in Insurance Operations and Benefit Administration; $400,000 to accelerate premium enforcement; $300,000 for a GAO audit; and $287,000 to restore amounts withdrawn for advisory and assistance services pursuant to P.L. 99–190. The requested program decrease for capital asset purchases of $179,000 is also approved.

## EMPLOYMENT STANDARDS ADMINISTRATION

### SALARIES AND EXPENSES

The bill includes $193,709,000, an increase of $1,000,000 over the budget request and an increase of $12,549,000 over the 1986 amount. The bill also contains authority to expend $441,000 from the Special Fund established by the Longshore and Harbor Workers' Compensation Act, which is the amount requested. The Employment Standards Administration is involved in the administration of numerous laws, including the Fair Labor Standards Act, the Migrant and Seasonal Agricultural Workers' Protection Act, the Davis-Bacon Act, the Federal Employees' Compensation Act, and the Federal Mine Safety and Health Act (Black Lung).

The Committee has approved 3,997 full time equivalent (FTE) staff for this agency, an increase of 82 over the comparable number in 1986. That number includes 395 FTE's that are financed by a transfer of $25,826,000 from the Black Lung Disability Trust Fund.

The bill includes program increases for several items within this agency. A total of $451,000 and 10 FTE's are provided as requested, for the increased costs and staffing related to the Wage and Hour Division for increased workload associated with the Supreme Court's *Garcia* decision. Also included are $8,354,000 and 134 FTE's in trust and general funds throughout ESA to allow it to return to approximately the workload levels achieved in 1985. Additional program increases are included as requested for increased cost related to space rental and restoring advisory and assistance services reductions taken in 1986.

The bill includes a program decrease totaling $2,149,000 and 82 FTE's in trust and general funds associated with savings achieved through productivity improvements. Also included in the bill are increases over the current fiscal year for items such as within-grade promotions, utilities, and space rental. Additionally, the bill includes decreases from 1986 for ADP contracts and lower Working Capital Fund charges.

The Committee has added $1,000,000 and 20 FTE's over the budget request for the Office of Federal Contract Compliance Programs (OFCCP); this provides a total of $46,935,000 and 930 FTE's. The increased funding is to be used for the salaries of additional non-supervisory enforcement caseworkers (Equal Opportunity Specialists) to enhance the agency's compliance activities. In addition, the Committee recommends that whenever managerial and supervisory positions become available in the headquarters and regional offices, these positions should be converted to Equal Opportunity Specialist positions and transferred to area and field offices. This is consistent with a report by the Department of Labor, Office of Inspector General which noted problems concerning excess overhead, large numbers of staff at high grades and an inefficient field structure at OFCCP. The Committee also expects that funds appropriated for the OFCCP will be utilized solely for this program activity within the Employment Standards Administration in order that this enforcement agency may have sufficient resources to effectively monitor Federal contractors' equal employment opportunity and affirmative action programs.

The Committee notes that the contract for implementation of the Level II Federal Employees' Compensation system has been cancelled. It is, therefore, concerned about the implementation of this system. The Committee requests that the Office of Workers' Compensation Programs keep the Committee informed of any significant actions taken with regard to the future of this system.

SPECIAL BENEFITS

The bill includes $263,600,000, the amount of the budget request and an increase of $26,943,000 over the 1986 amount. This appropriation primarily provides benefits under the Federal Employees' Compensation Act. The payments are prescribed by law.

The total amount estimated to be available in fiscal year 1987, including anticipated reimbursements from Federal agencies of $933,000,000, is $1,196,600,000, an increase of $74,943,000 over the total amount available in 1986. Reimbursements from Federal agencies are expected to rise by $48,000,000. Actual payments will increase over 1986 levels as a result of a continuing increase in costs for medical examination and treatment and higher cost new cases entering the rolls.

BLACK LUNG DISABILITY TRUST FUND

The bill includes authority to expend $234,538,000 from the Black Lung Disability Trust Fund. This is a decrease of $747,165,000 from the 1986 amount.

The Trust Fund pays all black lung compensation/medical and survivor benefit expenses when no responsible mine operator can be assigned liability for such benefits, or when coal mine employment ceased prior to 1970, as well as all administrative costs of the Departments of Labor, Health and Human Services, and Treasury which are incurred in administering the benefits program and operating the Trust Fund.

The basic financing for the Fund comes from a coal excise tax for underground-mined coal and for surface-mined coal. Additional funds come from reimbursement payments from mine operators for benefit payments made by the Fund before the mine operator is found liable, and advances made to the Fund to assure availability of necessary funds when liabilities may exceed other income.

Provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) included an increase in the coal tax and a forgiveness of interest payments for the Black Lung Disability Trust Fund. Under COBRA, the coal excise tax will increase, effective April 1, 1986 through December 31, 1995, from $1.00 to $1.10 per ton on underground-mined coal and from 50 to 55 cents per ton on surface-mined coal, in either case not to exceed 4.4 percent of the sale price. The legislation also provides for a five-year moratorium on the current interest payments on the cumulative indebtedness of the Trust Fund, retroactive to October 1, 1985. As a result, the Trust Fund will have significant savings in both FY 1986 and FY 1987. Since the Trust Fund is able to use unobligated funds from the prior fiscal year, the FY 1987 amount has been adjusted to reflect reductions by the amount of these two years of savings. The reduction to the original request of $958,689,000 is $724,151,000,

which brings the amended total to $234,538,000. The reduction is primarily comprised of the two-year interest savings ($666,000,000), but there are also some savings due to reestimates of benefit costs ($58,151,000). Advances are expected to total $55,000,000 in 1987.

Total trust fund obligations in 1987 will include $595,393,000 for benefit payments and $48,607,000 for Departmental administrative expenses. In 1986, benefit payments are estimated to be $574,649,000 and administrative expenses are $44,351,000. A total of 819 Department of Labor FTE's will be financed from the Trust Fund in 1987, including 395 in the Employment Standards Administration, 414 in Departmental Management, and 10 in the Office of the Inspector General.

It is estimated that 146,432 people will be receiving black lung benefits financed from the Trust Fund by the end of fiscal year 1987. This compares with 155,533 receiving benefits in 1986.

## Occupational Safety and Health Administration

### SALARIES AND EXPENSES

The bill includes $225,811,000, the same as the budget request and an increase of $18,057,000 over the 1986 level. A total of 2,208 full time equivalent (FTE) staff is provided, an increase of 42 over the 1986 comparable level. This includes 1,200 compliance officers. Included in the amount of this appropriation is $9,923,000 and 42 FTE's to restore resources necessary to essentially provide the same level of activity as 1985. Also included in this appropriation is $1,600,000 for new and replacement equipment for the occupational safety and health laboratories and for compliance officers.

The bill provides a total of $59,042,000 for both State operational and statistical grants, an increase of $4,494,000 over 1986. On-site consultation programs are funded at $24,214,000, an increase of $1,867,000 over 1986. The bill includes increases totaling $6,534,000 for built-in items such as within-grade promotions, space rental and increased grant costs.

The Committee has included bill language carried in last year's appropriations bill that restricts the use of funds for certain purposes. First, the bill includes language that effectively exempts farms employing 10 or fewer people from the provisions of the Act except those farms having a temporary labor camp. Second, the bill includes language prohibiting the promulgation or enforcement of any regulation affecting any work activity by reason of recreational hunting, fishing, or sports shooting in that area. Third, the bill includes language that exempts employers of 10 or fewer from routine safety inspections if they are within a category having an occupational injury lost work day case rate that is below the national average. Fourth, the bill includes language prohibiting any State plan monitoring visits by OSHA in those areas where an establishment has been inspected by a State employee under section 18 of the Act within the preceding 6 months. Fifth, the bill includes language prohibiting the inspection of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to OSHA by the Outer Continental Shelf Lands Act. Sixth, the bill includes language, carried in last year's appropriations bill and re-

quested in the budget, dealing with fines against small employers in cases where the employer has previously requested on-site consultation and is making a good faith effort to correct the violations and language precluding the assessment of civil penalties for first-instance nonserious violations of the Act, unless 10 or more violations are cited during an inspection.

## Mine Safety and Health Administration

### SALARIES AND EXPENSES

The bill includes $156,480,000, the same as the budget request and an increase of $11,756,000 over the 1986 level. A total of 2,909 full time equivalent (FTE) staff is provided, an increase of 81 over the 1986 comparable level. This includes 1,111 mine inspectors. Included in the amount of this appropriation is $8,622,000 and 81 FTE's to restore resources necessary to essentially provide the same level of activity as 1985.

The bill includes an increase of $3,839,000 for built-in items such as within-grade promotions, merit pay, and increased cost of supplies. The increases are offset by decreases of $705,000, primarily through reduced space rental, Federal Employees' Compensation costs and compensation for other than full time employees.

The Committee has included language carried in last year's appropriations bill prohibiting the use of funds to carry out the training provisions of the Act with respect to shell dredging or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate or surface limestone mine.

## Bureau of Labor Statistics

### SALARIES AND EXPENSES

The bill includes $166,589,000, an increase of $7,199,000 over the budget request and an increase of $14,772,000 over the 1986 budget authority. In addition the bill includes authority to expend $37,872,000 from the Unemployment Trust Fund, $1,366,000 over the budget request and an increase of $3,124,000 over the comparable 1986 level. The Bureau of Labor Statistics is the principal fact-finding agency in the Federal Government in the broad field of labor economics. The Committee has approved a full-time equivalent (FTE) staff level of 2,177, a net increase of 38 over 1986.

The Committee has approved the requested program increase of 46 FTE's and $9,011,000 to restore reductions taken in 1986 and to provide for increased space rental charges. The bill also includes requested increases of $1,347,000 to provide for development of a longitudinal file of business establishments and $500,000 to provide for increased security for the Consumer Price Index.

The Committee has provided increases over the budget request as follows: 18 FTE's and $5,000,000 to restore the Permanent Mass Layoff and Plant Closing program; 41 FTE's and $1,299,000 to restore an arbitrary two percent reduction as a result of assumed productivity increases; 2 FTE's and $900,000 to restore the Occupational Employment Statistics Program; and $1,366,000 to restore proposed reductions in area detail on employment now provided in

Labor Market Information programs. The Committee has approved the requested reduction of 5 FTE's and $250,000 to eliminate the microeconomic growth model and related activities.

The bill also includes increases over 1986 for mandatory items such as increased cost in State operations for Federal-State Cooperative programs, and within-grade promotions and merit pay increases. Planned decreases in the Consumer Price Index Revision program, and the Standard Industrial Classification refiling activities in the ES–202 program, are also approved.

The Committee has not granted the President's request to add $2,062,000 to expand the Professional, Administrative, Technical, and Clerical (PATC) Survey. Any FY 1987 expansion should come from reimburseable funds from other Federal agencies as was done in FY 1986.

The PATC data are the only BLS source of white-collar salary and benefit levels but unfortunately cover only 20% of the U.S. white-collar workforce. The Committee notes that the white-collar workforce is the fastest growing segment of U.S. workers, and the lack of data on their compensation is a serious statistical weakness.

Therefore, the Committee has not reduced the funds requested for the PATC revision but intends that these funds be used to begin the planning, testing and implementation of a national white-collar salary and benefit survey. Consequently, the 46 FTE's that would have been hired to expand the PATC should be used to begin work on gathering data for a new survey that meets not only the needs of the Federal pay agent but also provides general information about the levels of compensation of all segments of the white-collar workforce.

The Committee requests that the Bureau of Labor Statistics submit to the Congress by August 1987 a plan for the implementation of a national white collar salary and benefit survey. The plan should include a description of the system that will be used to gather salary and fringe benefit data on white-collar workers, including those in local and State government and small businesses, an explanation of how the survey will be used to continue to make recommendations for pay increases to the Federal pay agent, a schedule for implementing a new survey including the time when the PATC will be phased out of existence and its current funding used to support the new survey, and an estimate of the annual costs of the new survey. The Committee has made the funds provided for this new endeavor available for a two-year period.

## Departmental Management

### SALARIES AND EXPENSES

The bill includes $103,852,000, the same amount as the budget request and an increase of $6,815,000 over the 1986 comparable level. The bill also includes authority to transfer $263,000 from the Unemployment Trust Fund, an increase of $22,000 over 1986.

The Committee has approved 1,989 full time equivalent (FTE) staff, an increase of 107 over the 1986 comparable level. The number includes 414 FTE's that are financed by a transfer of $21,413,000 from the Black Lung Disability Trust Fund (BLDTF).

The bill contains several program decreases to reflect savings achieved through productivity improvements and workload adjustments in administrative support services for a reduction of $4,009,000 and 26 FTE's.

Included in the bill is a program increase for $956,000 and 30 FTE's for enhanced Legal Services to support growth in the Longshore and Harborworkers' Compensation Act section 8(F) claims cases. Legal Services is also provided an increase of $396,000 from the BLDTF and 10 FTE's to support additional Black Lung adjudicatory workload.

The bill includes program increases totalling $5,152,000 provided for DM activities to return to workload levels achieved in FY 1985 and increases totalling $3,913,000 related to increased space, ADP and Employee Compensation Appeals Board printing and equipment costs.

For the Benefits Review Board, there are an additional 12 FTE's and $402,000 to be derived from the BLDTF. This staff is necessary to handle the additional appeals that will be generated from increased Administrative Law Judge dispositions.

There are mandatory increases over 1986 for such items as within-grade promotions, rental of space and equipment, and increased costs of administrative support services.

### ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

The bill includes $139,510,000, an increase of $7,985,000 over the amount requested in the budget, and an increase of $12,253,000 above the 1986 comparable number for this account. This entire activity is financed by transfer from the Unemployment Trust Fund. The Committee has approved 279 full time equivalent (FTE) staff, 11 more than the 1986 level.

The Committee approves requested program increases to enhance monitoring of State grants and to provide for an additional 114 State staff in the Disabled Veterans Outreach Program (DVOP) for a total increase of $5,102,000.

The bill includes an increase of $7,985,000 over the budget request to restore the number of State staff positions in the Local Veterans Employment Representatives (LVER) program to the 1986 level of 1,532.

Mandatory changes totaling $5,381,000 are included to provide for, among other things, an increase in DVOP/LVER State staff costs, within-grade promotions, and administrative support services.

### OFFICE OF THE INSPECTOR GENERAL

The bill provides $34,833,000 in general funds and authority to transfer $6,040,000 from the Unemployment Trust Fund. Both of these are the same amount as in the budget request. The general fund amount represents a decrease of $1,977,000 from the 1986 level. The Unemployment Trust Fund amount represents an increase of $2,948,000 over the 1986 amount of $3,092,000.

The Committee has also approved the 530 full-time equivalent (FTE) staff contained in the budget request. This represents five fewer FTE's than in 1986. Ten of the 530 FTE's will be financed by

transfer of $612,000 from the Black Lung Disability Trust Fund. The combined general and trust fund dollars available to the Inspector General in 1987 is $41,485,000, which is an increase of $1,223,000 over the 1986 amount of $40,262,000.

The bill provides for mandatory increases over 1986 of $1,028,000 for such things as within-grade promotions, travel and audit contract costs. The bill also includes program increases of $3,501,000, including $1,810,000 and 31 FTE's to increase audit and investigative activities and attendant administrative support for these activities, $1,429,000 for increased contract audit services and $262,000 for increased space rental charges. The mandatory and program increases are offset by program decreases of $3,306,000. A decrease of $2,336,000 and 36 FTE's reflects savings achieved through productivity improvements and lower average grade costs. Other reductions include $263,000 to reflect administrative support service cost savings and $707,000 related to reduced ADP resources.

### SPECIAL FOREIGN CURRENCY PROGRAM

The bill includes $67,000, the same amount as the budget request and $22,000 more than the 1986 amount. This activity provides direct funding from foreign currencies of travel and related expenses for Foreign Service conferences and consultations. The currencies used are those which the Treasury Department determines to be in excess of normal requirements of the United States.

## TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Department of Health and Human Services Reorganization

The Department of Health and Human Services is currently carrying out several major reorganizations of its programs. The most significant of these creates a new Family Support Administration which consolidates Federal cash assistance and support services for the poor into a new operating component of the Department. This consolidation involves the Assistance Payments, Low Income Energy Assistance, Child Support Enforcement, Refugee and Entrant Assistance, Community Services Block Grant, and Work Incentives accounts. In addition the Department is in the process of transferring the Health Maintenance Organization program from the Health Resources and Services Administration to the Health Care Financing Administration and the National Center for Nursing Research from the Health Resources and Services Administration to the National Institutes of Health. While the decisions to carry out these reorganizations have been made and do not require Congressional approval, the details of staff and resources to be transferred have in some cases not been finalized. The Committee has, therefore, considered these activities under the old appropriation structure. Once final decisions have been made and determination orders issued, these resources can be transferred to their appropriate accounts. The Committee will expect a full report on the amounts actually transferred as soon as possible after enactment of this bill. This report should also include a comprehensive analysis

of the impact of the reorganization on staff at the various bureaus and divisions.

## Health Resources and Services Administration

### HEALTH RESOURCES AND SERVICES

The bill includes $1,267,068,000 for health resources and services programs. This is $11,502,000 more than the comparable amount available for these activities in fiscal year 1986 after adjusting for the reductions required by the Balanced Budget and Emergency Deficit Reduction Act. This amount is $293,894,000 more than requested in the President's budget. The Committee has not acted at this time on funding for the National Health Service Corps or family planning programs. The authorizations for these activities, which had $194,370,000 available in fiscal year 1986, have expired. The President's budget proposes $189,496,000 for these activities in fiscal year 1987. The Committee will consider funding for these programs as soon as possible after the passage of authorizing legislation.

The mission of the Health Resources and Services Administration is exceptionally broad. Its activities include the provision of inpatient and outpatient health care to the poor, pregnant women, children and other high risk populations; the training of health professionals and the rational development of health resources, including health personnel and health facilities, throughout the United States. Approximately 3,300 persons are currently employed by this agency to carry out these responsibilities.

The amount recommended by the Committee for each of the programs and activities funded by this appropriation are shown on the following table together with the budget request and comparable appropriations for fiscal year 1986.

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| HEALTH RESOURCES AND SERVICES | | | | |
| Health care delivery and assistance: | | | | |
| Maternal and child health block grant | $478,000,000 | $457,446,000 | $478,000,000 | $478,000,000 |
| Community health centers | 400,000,000 | 396,000,000 | 375,000,000 | 400,000,000 |
| Migrant health | 45,400,000 | 44,946,000 | 44,300,000 | 45,400,000 |
| Black lung clinics | 3,400,000 | 3,254,000 | 3,300,000 | 3,400,000 |
| Family planning (unauthorized) | (142,500,000) | (136,372,000) | (142,500,000) | Defer |
| National Health Service Corps (unauthorized) | (58,313,000) | (55,797,000) | (46,996,000) | Defer |
| Direct loans (non-add) (unauthorized) | (1,000,000) | (957,000) | (1,000,000) | Defer |
| Home health demonstrations and training | 1,500,000 | 1,435,000 | ..... | ..... |
| Hansen's disease services (Carville) | 19,103,000 | 18,282,000 | 19,103,000 | 19,103,000 |
| Payment to Hawaii for treatment of Hansen's disease | 3,300,000 | 3,158,000 | 2,500,000 | 3,300,000 |
| Pediatric emergency care | ..... | 2,000,000 | ..... | ..... |
| Total, health care delivery and assistance | 950,703,000 | 926,521,000 | 922,203,000 | 949,203,000 |
| Health professions: | | | | |
| Health professions student assistance: | | | | |
| National Health Service scholarships (unauthorized) | (2,300,000) | (2,201,000) | ..... | Defer |
| Exceptional need scholarships | 7,000,000 | 6,699,000 | ..... | 7,000,000 |

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| Health professions institutional assistance: | | | | |
| Financial distress | 4,100,000 | 3,924,000 | ..... | 3,800,000 |
| Public health/health administration: | | | | |
| Public health capitation | 5,000,000 | 4,785,000 | ..... | 5,000,000 |
| Health administration grants | 1,500,000 | 1,436,000 | ..... | 1,500,000 |
| Public health traineeships | 3,000,000 | 2,871,000 | ..... | 3,000,000 |
| Health administration traineeships | 500,000 | 479,000 | ..... | 500,000 |
| Preventive medicine residencies | 1,600,000 | 1,531,000 | ..... | 1,600,000 |
| Subtotal, PH/HA | 11,600,000 | 11,102,000 | ..... | 11,600,000 |
| Family med./gen. dentistry res. and trng | 35,960,000 | 34,412,000 | ..... | 35,960,000 |
| General internal medicine and pediatrics | 18,500,000 | 17,704,000 | ..... | 18,500,000 |
| Family medicine departments | 7,000,000 | 6,699,000 | ..... | 7,000,000 |
| Physician assistants | 4,800,000 | 4,594,000 | ..... | 4,800,000 |
| Area health education centers | 17,955,000 | 17,181,000 | ..... | 17,955,000 |
| Health professions data analysis | 2,000,000 | 1,914,000 | ..... | 2,000,000 |
| Disadvantaged assistance | 25,500,000 | 24,403,000 | ..... | 26,500,000 |
| Health professions spec. ed. initiatives | 8,000,000 | 7,656,000 | ..... | 7,500,000 |
| Two year medical and osteopathic schools | 500,000 | 479,000 | ..... | 500,000 |
| Nurse training: | | | | |
| Advanced nurse training | 16,500,000 | 15,790,000 | ..... | 16,500,000 |
| Nurse practitioners | 12,000,000 | 11,484,000 | ..... | 12,000,000 |
| Special projects | 9,500,000 | 9,092,000 | ..... | 9,500,000 |
| Traineeships | 11,500,000 | 11,005,000 | ..... | 11,500,000 |
| Nurse anesthetists | 800,000 | 766,000 | ..... | 800,000 |
| Special projects for new purposes | 1,350,000 | 1,292,000 | ..... | 1,350,000 |
| Faculty fellowships | 550,000 | 526,000 | ..... | 550,000 |
| National Center for Nursing Research: | | | | |
| Research grants | 9,700,000 | 9,283,000 | ..... | 14,700,000 |
| Fellowships | 2,000,000 | 1,914,000 | ..... | 2,000,000 |
| Subtotal, National Center for Nursing Research | 11,700,000 | 11,197,000 | ..... | 16,700,000 |
| Subtotal, nurse training | 63,900,000 | 61,152,000 | ..... | 68,900,000 |
| Total, health professions | 206,815,000 | 197,919,000 | ..... | 212,015,000 |
| HMO and resources development: | | | | |
| Health planning | 28,106,000 | 26,897,000 | ..... | ..... |
| Organ transplants | 3,000,000 | 2,871,000 | ..... | 6,800,000 |
| Disaster construction grants | 5,000,000 | 4,785,000 | ..... | ..... |
| Health teaching facilities | 1,200,000 | 1,148,000 | ..... | ..... |
| Total, HMO and resources development | 37,306,000 | 35,701,000 | ..... | 6,800,000 |
| Acquired immune deficiency syndrome (AIDS) | ..... | ..... | ..... | 1,900,000 |
| Buildings and facilities | 750,000 | 718,000 | 750,000 | 750,000 |
| Program management/program support, HRSA | 98,962,000 | 94,707,000 | 60,221,000 | 96,400,000 |
| User fees | ..... | ..... | −10,000,000 | ..... |
| Total, health resources and services | 1,294,536,000 | 1,255,566,000 | 973,174,000 | 1,267,068,000 |
| (Unauthorized, not considered) | (203,113,000) | (194,370,000) | (189,496,000) | Defer |

### *Health care delivery and assistance*

***Maternal and Child Health.***—The bill includes $478 million for the Maternal and Child Health Block Grant program. This is the same amount appropriated for this activity in fiscal year 1986 and requested by the President but an increase of $20.6 million over the amount available after sequestration. The Committee recommenda-

tion is the maximum amount currently authorized. This block grant was created in 1981 to consolidate Federal programs for high risk mothers and children and crippled children. 85 percent of the funds are distributed to the States to be used for programs which they determine are most needed in their area.

Section 502(a) of the law provides that up to 15 percent of the funds appropriated for these grants be set aside by the Secretary for projects of regional and national significance. The Committee expects this provision of the law to be implemented and directs that the full 15 percent authorized for these projects be made available. The Committee expects the department to maintain, at a minimum, the current level of support for ongoing efforts and activities of the hemophilia centers and Cooley's Anemia programs.

The Committee has heard testimony concerning the serious impact chlamydia has had on reproductive health, maternal and child health and neonatal health. Chlamydia, which is largely asymptomatic but also treatable and preventable, can result in infertility or ectopic pregnancy, can be passed on to babies of infected mothers, and may result in greater risk of miscarriage and stillbirth. The Committee encourages the Division of Maternal and Child Health to explore with the Centers for Disease Control collaborative efforts to address the serious health consequences of chlamydia to mothers and babies.

The Maternal and Child Health authorization ceiling is currently being reviewed by the appropriate Committees of the Congress as a result of a broader review of programs serving high risk or disadvantaged children. Should this effort result in an increase in funding authority for this program, the Committee will reconsider its appropriation recommendation on an expedited basis.

*Community and Migrant Health Centers.*—The bill includes $400 million for community health centers, an increase of $25 million over the amount requested by the President and $4 million over the amount available in fiscal year 1986. This is the maximum amount currently authorized for this program. The President's budget proposes that this activity be consolidated with other primary care activities. Legislation to create this block grant has not been enacted by the Congress. The Committee has, therefore, retained this program as a categorical program under HRSA. The amount provided will support approximately half of the operating costs of some 550 rural and urban centers. These centers are the primary source of health care for more than 5 million Americans.

In addition to the amounts for general purpose health centers, the Committee recommendation includes $45.4 million for migrant centers, an increase of $1,100,000 over the budget and $454,000 over fiscal year 1986. There are 125 migrant projects throughout the United States which serve an estimated 2,700,000 migrants and seasonal farm workers.

*Black lung clinics.*—The bill includes $3,400,000 for black lung clinics. This is an increase of $100,000 over the amount requested in the President's budget and an increase of $146,000 over the amount available in FY 1986. This program provides for the treatment of respiratory and pulmonary impairments in coal miners. In 1986 approximately 47,500 victims of black lung disease were treated at 38 clinics.

*Home health demonstrations.*—No funds have been included for the home health demonstration program authorized by section 339 of the Public Health Service Act. This program was funded at a level of $1,435,000 in FY 1986. No funds were requested by the President to continue this progam. The Federal government currently allocates more than $1 billion per year to home health activities through the Medicare and Medicaid entitlements. No further "demonstrations" seem necessary at this time.

*Gillis W. Long National Hansen's Disease Center.*—The bill includes $19,103,000 to support the operation of the Gillis W. Long National Hansen's Disease Center in Carville, Louisiana. This is the amount requested in the budget and an increase of $821,000 over the amount available in fiscal year 1986. An additional $750,000, the amount requested, has been included for renovation and repairs at the facility. This center has been operated since the turn of the century as a treatment center for persons with Hansen's Disease (leprosy). In addition it is an international research and training center for Hansen's Disease and related medical problems. In 1986 this facility had an average inpatient census of 220 patients and saw an additional 2,300 individuals on an outpatient basis.

*Federal employees health.*—No funds are included in this appropriation for the Federal employee occupational health program. In fiscal year 1986 the Committee approved the President's proposal to operate all employee health programs on a reimbursable basis. This includes both direct services at health clinics as well as consultation services. The Committee did not, however, approve the proposal for the Public Health Service to phase out its reimburseable health unit program and transfer these programs back to individual agencies and departments. This action was taken on a temporary basis in FY 1986 pending submission to the Committee of a plan which both maintains services and protects the rights of the career employees who staff these units. The Committee believes that the preliminary plan submitted in May of 1986 does not adequately address these concerns and directs that a revised report be submitted within 60 days of the date of this report.

*Payment to Hawaii.*—The bill includes $3,300,000 to partially support the cost of the care and treatment of persons with Hansen's Disease in the State of Hawaii. This is an increase of $800,000 over the amount requested by the President and an increase of $142,000 over the amount available in FY 1986. The Federal payment represents 85% of the total cost of this program.

*Pediatric emergency care.*—No funds were requested in the budget nor are any new funds provided in the bill for the pediatric emergency care program. This activity was funded for the first time in the FY 1985 Supplemental Appropriation Act with $2,000,000 to remain available until September 30, 1986. An additional $2,000,000 was appropriated in the FY 1986 supplemental to remain available until September 30, 1987. No further appropriations are required at this time.

*Health professions*

The bill includes $212,015,000 for health professions and nurse training programs in fiscal year 1987, an increase of $14,096,000

over the amount available for these activities during fiscal year 1986. The President's budget again proposes to eliminate all support for the training of health personnel. This proposal is based on evidence of a substantial surplus of physicians as reported by the 1980 Report of the Graduate Medical Education National Advisory Committee (GMENAC) and confirmed by other analytical studies. The Committee does not dispute this evidence but does disagree with the conclusion that this report justifies a Federal abandonment of the effort to develop a more appropriate geographic and specialty mix of health providers including but not limited to physicians. The Congress has not for many years supported general subsidies to train physicians and other personnel. It has, however, continued to support targeted programs where there continues to be a demonstrated need. In many cases this need has been documented by the same analyses which concluded that there was an overall surplus. In addition the Administrator of the Health Resources and Services Administration has testified repeatedly that there continues to be shortages in many disciplines such as family medicine, public health and preventive medicine. Minorities, who are a target population for Federal aid, continue to be underrepresented in most health professions. For these reasons the Committee has recommended that the health professions program be maintained. The amounts recommended, which are described in further detail below, are in most cases the same levels originally appropriated for FY 1986.

*Student assistance.*—The bill includes $7.0 million for exceptional financial need scholarships (EFN'S). This is an increase of $301,000 over the amount available for fiscal year 1986 and an increase of $7.0 million over the President's budget. This program provides one year of assistance to students entering health professions schools. It is restricted to students from disadvantaged backgrounds, particularly minorities. While the President's budget proposes the elimination of this program, the Committee believes that continued efforts to increase the number of minorities in the health professions remain a high priority. The amount recommended will support approximately 420 students.

No new funds were requested in the budget or included by the Committee for new capital contributions to the health professions student loan program in fiscal year 1987. The Committee has been informed that approximately $49 million will be available for new loans under this program from existing balances in the revolving fund. The Committee supports this program but believes that repayments will provide sufficient funds for loans during the next year. The Committee is aware of and supportive of continued efforts to reduce the default and delinquency rate in this and other health professions programs. The Committee expects to receive a report on the progress of this effort prior to the submission of the fiscal year 1988 budget.

The Committee has not approved language requested in the Budget to limit the amount of HEAL guaranteed loans to $100 million. The authorizing legislation for this program already includes a limit of $290 million. The Committee expects this program to be operated at the maximum level authorized by law including the full $290 million in new loan guarantees.

The Committee is pleased that the Department of Health and Human Services issued proposed rules on the HEAL program on May 21, 1986. Since these regulations are long overdue, the Committee expects the Department of Health and Human Services to carefully consider public comments on the proposed regulations and issue final regulations by September 30, 1986.

Since the proposed regulations on HEAL do not address negative amortization of HEAL loans, the Committee expects the Department of Health and Human Services to issue regulations implementing this important loan option as soon as possible.

Finally, more data must be made available on the HEAL loan program. The Department should include in its annual presentation to the Committee information concerning HEAL delinquency and default rates, including:

1. The number and amount of loans for which pre-claims assistance has been requested, and the reason given for such delinquency.

2. The number and amount of loans in default. The report should indicate the specific reasons given for the default, and what steps have been undertaken to collect the loan, including the use of collection agencies, credit bureaus, and litigation. Data should differentiate between "gross" default (loans paid by DHHS) and "net" default (loans not in any repayment).

3. The status of the Student Loan Insurance Fund (SLIF), including new premiums collected and disbursements made.

*Institutional assistance/financial distress.*—The bill includes $3.8 million for advanced financial distress grants in fiscal year 1987. This is $3.8 million more than the President's request but a decrease of $124,000 from fiscal year 1986. Federal assistance is provided to schools in the form of multi-year agreements to meet the costs of operations. These grants are necessary to remove schools from serious financial instability. Schools are required to have a plan to achieve financial self-sufficiency within 6 years. These funds will support four traditionally black health professions schools: Meharry Medical and Dental Schools; Tuskegee School of Veterinary Medicine; and Xavier School of Pharmacy. This program was reauthorized in P.L. 99–129 and a sixth and a final year of funding was added to the original 5 year plan. No additional funding is authorized beyond FY 1987.

*Public health/health administration.*—The bill includes $11,600,000 to support training programs in public health and health administration. This is an increase of $11,600,000 over the President's budget and an increase of $498,000 over the amount available in fiscal year 1986. These funds provide institutional and student support to 23 schools of public health and 33 graduate programs in health administration. In 1986 approximately 9,500 students were in training in programs supported by these grants. This appropriation also supports 13 residency programs in preventive medicine which supported 148 trainees in 1986.

*Family medicine/general dentistry residencies.*—The Committee recommends $35,960,000 for the family medicine/general dentistry residency training program. This is $35,960,000 over the President's budget request and an increase of $1,548,000 over the amount available in fiscal year 1986. The Committee continues to believe

that there is a need for residency training programs in primary care. This program provides funds to hospitals, medical and dental schools to support residency programs in these areas. Funds are also used to provide financial assistance to students and to strengthen teaching programs in family medicine. More than 20,000 students and faculty are currently receiving support from this program.

*Internal medicine and pediatrics.*—The bill includes $18,500,000 for internal medicine and pediatric residency programs in fiscal year 1987. This is $18.5 million more than requested by the President and $796,000 above the level available in 1986. This program provides grants to hospitals and medical schools to support residencies in these primary care specialties. In fiscal year 1986, 96 programs were funded which trained approximately 1,500 residents.

*Family medicine departments.*—The Committee has approved $7,000,000 for grants to Departments of Family Medicine. The amount recommended is $7 million more than requested by the President and $301,000 above the amount available in FY 1986. This program funds grants to establish and maintain academic administrative units to provide clinical instruction in family medicine. In 1986, 67 schools were supported by this program.

*Physician assistants.*—The bill includes $4,800,000 for the Physician Assistants program in fiscal year 1986. This is $4.8 million more than the administration request and $206,000 above the amount available in fiscal year 1986. The physician assistants program, through grants or contracts to schools of medicine and osteopathy, and other public or nonprofit private entities, supports efforts to plan, develop, operate, or maintain physician assistants training programs. FY 1986 funding supported almost 1,900 trainees.

*Area health education centers (AHEC's).*—The bill includes $17,955,000 for Area Health Education Centers in 1987. This is $774,000 above the amount available for this purpose in FY 1986. No funds were requested in the budget for this program. The primary purpose of the Area Health Education Center (AHEC) program is to attract and retain primary care health professionals in shortage areas by linking the academic resources of health sciences centers to the clinical resources of underserved communities for training and educational purposes. Funds are awarded to medical and osteopathic schools. These funds will provide continuation support to approximately 35 projects. These AHEC projects support approximately 15,000 students.

*Analytical studies.*—The Committee has approved $2,000,000 for Health Professions Analytical Studies in fiscal year 1987, an increase of $86,000 over the amount available for this activity in FY 1986. No funds were requested in the budget. These programs provide national information and data on the health professions not available through any other sources. In addition, support is provided for special analysis as required to meet statutory requirements and to examine issues and changes relating to specialty requirements and the characteristics of medical specialty education. These funds are also used for properly identifying, designating, and reviewing health professions shortage areas throughout the United

States, in coordination with the States, local communities, and professional groups.

*Disadvantaged assistance.*—The Committee has approved $26,500,000 for the Disadvantaged Assistance program in fiscal year 1987. This is $2,097,000 more than the amount available in fiscal year 1986. No funds were requested by the President. The Disadvantaged Assistance program is the principal direct Federal training program for underrepresented minorities and other students who are financially or otherwise disadvantaged and who are interested in pursuing a health career. Funds are awarded through grants and contracts directly to public and nonprofit private health or educational entities to support motivation, recruitment, admissions, retention and placement of students. The Committee allowance will support approximately 150 projects benefiting 22,500 individuals.

*Special education initiatives (curriculum development).*—The bill includes $7,500,000 for the Special Education Initiatives program. This is $156,000 less than the amount available in fiscal year 1986 and $7,500,000 more than requested in the President's budget. Funds are provided to health professions institutions or other public or non-profit entities to support a variety of projects in the national interest. These projects encourage changes in academic curriculum to address both current and emerging health problems. The amount recommended includes funding for major efforts in the area of geriatric medicine.

The Committee recognizes that the country is currently experiencing a critical shortage of podiatrists. Apart from its effect on the general population, this shortage is having a particularly severe impact on poor and elderly persons living in medically underserved urban and rural areas. The Committee therefore expects that a portion of the funds provided for this activity will be used to continue the podiatric medicine training grant program at the current level.

*Two year schools of osteopathy and medicine.*—The bill includes $500,000 for curriculum and program development at two year schools of osteopathy and medicine as authorized by section 788(a) of the Public Health Service Act. This is $500,000 more than requested by the President and $21,000 more than the amount available for this activity in fiscal year 1986. These funds assist eligible institutions to maintain or improve the quality of their programs.

*Nurse training.*—The Committee recommends $68,900,000 for nurse training programs. This is $68,900,000 above the President's budget and $7,748,000 above the amount available for these activities in fiscal year 1986. The President's budget proposes the elimination of Federal support for programs authorized under the Nurse Training Act. The Committee does not agree with this proposal and has restored funding for each of several activities. Recent national studies have again reinforced the importance of the Federal role in training of supervisory, academic and specialty nurses. Within the total recommended by the Committee, the bill includes the following amounts:

—$16,500,000 for Advanced Nurse training to continue more than 100 projects training more than 2,000 nurses.

—$12,000,000 for Nurse Practitioner training, to continue approximately 70 projects.

—$9,500,000 for Nursing Special Projects, to support approximately 85 projects.

—$11,500,000 for Professional Nurse Traineeships, to continue support for approximately 4,100 nurses.

—$800,000 for nurse anesthetists training, to support approximately 800 trainees.

—$1,350,000 for nurse demonstration projects to support 6 projects.

—$550,000 for faculty fellowships to assist more than 500 nurses.

—$16,700,000 for the newly created National Center for Nursing Research of which $2,000,000 is for research fellowships. This amount is $503,000 above the amount expected to be spent for this program in FY 1986 including $5 million originally appropriated in the FY 1985 Supplemental Appropriation Act but carried forward to FY 1986. This Center was recently authorized by the Health Research Extension Act of 1985 which was enacted over the President's veto. The Center will be located at the National Institutes of Health. At the time of initial Committee consideration of this issue, the final transfer of nursing research activities from HRSA to the NIH had not yet been completed. This has now taken place and the Committee expects these funds together with related personnel and other resources to be immediately transferred to the new Center at NIH.

*HMO and Resources Development*

*Health Planning.*—No funds have been included in the bill nor were any funds requested by the President for the health planning program in fiscal year 1987. This program, originally authorized by title XV of the Public Health Service Act, has supported local and state agencies which develop health resources plans and review the adequacy of or necessity for various types of health facilities and services. The basic authorization for this program expired on September 30, 1982. The Congress has continued funding for the program since that time through various continuing resolutions while the reauthorization was being debated. The President has consistently failed to request funds for the program and has proposed the repeal of title XV. The House of Representatives finally considered this matter on February 4, 1986 when it passed H.R. 3010 by a vote of 390–3. Section 12 of H.R. 3010, as passed, provides for the repeal of the health planning program as of September 30, 1986. The Senate has not yet acted on this bill. Based on the overwhelming vote on this matter by the House, the Committee has not recommended any funding for health planning in fiscal year 1987. Should the Congress reverse itself and reauthorize the program, the Committee will reconsider this issue on an expedited basis. The health planning program was funded at a level of $26,897,000 in fiscal year 1986.

*Organ Transplants.*—The bill includes an appropriation for fiscal year 1987 of $6,800,000 for activities authorized under the National Organ Transplant Act (P.L. 98–507). The amount provided is an increase of $6,800,000 over the President's budget request and

$3,929,000 over the 1986 level. The amount provided will fund the following activities:

1. A program of grants for the planning, establishment, initial operation and expansion of Organ Procurement Organizations (OPOs) designed to increase the availability of donor organs by improving the overall organ procurement system in this country;
2. Establishment of a national network, through Federal contract, to assist in the matching of organ donors and organ recipients;
3. The development of a scientific registry of organ recipients and kidney dialysis patients to allow for an evaluation of the scientific and clinical status of organ transplantation; and
4. The conduct of programs to educate the public and health professionals about organ donations in order to increase the number of actual organ donations and the proportion of the population willing to donate as well as the encouragement and involvement of families and health professionals in discussions about organ donations.

The amount would also provide for the support of staff required to administer these activities and the provision of technical assistance and clearinghouse type information, either by staff or through contract or other procurement methods, to OPOs and other entities involved in organ donation, procurement and transplants.

*Health Maintenance Organization—User Fees.*—The Committee has not approved language requested in the budget to charge user fees under the HMO certification program. The President's budget assumes $10,000,000 of "savings" as a result of charging HMO's for the cost of Federal inspections which establish and maintain eligibility of HMO's to participate in the Medicare program or receive other advantages. The Committee is concerned that requiring a certifying agency to finance its operation through such a fee system might create a conflict of interest between the industry and the Federal Government.

*Acquired Immune Deficiency Syndrome.*—The Committee has approved $1.9 million to fund a new program of AIDS education and training centers. These centers will serve as the training focal point on AIDS for approximately 2 million health care personnel in the United States and will operate in collaboration with selected hospitals, local health departments, and health professions schools. While no funds have been formally requested for this purpose in the President's budget, the amount recommended is compatible with the request for additional funding for AIDS related activities recently prepared by the Public Health Service. The Committee expects this work to be closely coordinated with the education and training program of the Centers for Disease Control.

*Program management/program support.*—The bill includes $96,400,000 for federal staff and related activites to coordinate, direct and manage the activities and programs of the Health Resources and Services Administration. This amount is $36,179,000 more than requested by the President and $1,693,000 more than the amount available for this purpose in fiscal year 1986. The funding added by the Committee restores to this agency resources to manage those programs, except health planning, which the Presi-

dent's budget proposed to eliminate but which the Committee has recommended be continued. The amount provided will support approximately 1,840 full-time-equivalent positions. This appropriation includes the staff and other resources to manage the HMO and Nursing Research Center programs which are in the process of being transferred to other agencies within the Department of Health and Human Services. The Committee expects these positions and funds to be transferred at the time the relocations are finalized.

In the Committee report accompanying P.L. 99–190, the Secretary of Health and Human Services was directed to conduct a formal study of the health care needs along the U.S.-Mexico borderlands and to provide some preliminary findings back to the Committee within 6 months from enactment. As of this date, no communication as to the Secretary's progress on this project has been made to the Committee. The Committee makes note of the lack of timely compliance with its initial request and directs the Secretary to indicate, in an expeditious manner, when said compliance can be expected. The Committee also further directs the Secretary to furnish the final study to the Committee within 1 year from the date of enactment of P.L. 99–190.

### MEDICAL FACILITIES GUARANTEE AND LOAN FUND

The bill includes $20,000,000, for the Medical Facilities Loan and Loan Guarantee Fund, the same as the budget request and $5,000,000 below the amount appropriated in 1986. Appropriations are used to pay interest subsidies on loans guaranteed in prior years for hospital modernization, construction, and conversion. The bill also includes language requested in the budget which permits the transfer of funds recovered by the Secretary from direct loans and interest payments. $7.0 million is expected to be transferred for a total interest subsidy payment of $27.0 million. The bill also includes language proposed in the budget which prohibits commitments for new loans or loan guarantees in fiscal year 1987.

## CENTERS FOR DISEASE CONTROL

### DISEASE CONTROL, RESEARCH AND TRAINING

The bill includes $518,254,000, an increase of $92,999,000 over the budget request, and $77,154,000 over the comparable 1986 level. The mission of the Centers for Disease Control is to assist State and local health authorities and other health-related organizations in stemming the spread of communicable diseases, protecting against other diseases or conditions amenable to reductions, providing protection from certain environmental hazards, and improving occupational safety and health. In addition, the Centers for Disease Control is responsible for the licensure of clinical laboratories engaged in interstate commerce, for conducting foreign quarantine activities aimed at preventing the introduction of disease into our Nation, and for the development of scientific criteria for occupational health standards. The amount recommended by the Committee for each of the programs and activities funded by this appro-

priation, together with the budget request and the appropriation for fiscal year 1986, are shown in the table below:

CENTERS FOR DISEASE CONTROL

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Postsequestration | | |
| Preventive health services block grant | $91,483,000 | $87,549,000 | $89,525,000 | $89,525,000 |
| Prevention centers | 1,500,000 | 1,436,000 | | 1,500,000 |
| Sexually transmitted diseases: | | | | |
| Grants | 46,511,000 | 44,511,000 | 45,510,000 | 56,511,000 |
| Direct operations | 9,774,000 | 9,354,000 | 9,943,000 | 9,943,000 |
| Subtotal | 56,285,000 | 53,865,000 | 55,453,000 | 66,454,000 |
| Immunization: | | | | |
| Grants | 47,359,000 | 45,323,000 | 47,666,000 | 57,666,000 |
| Direct operations | 8,093,000 | 7,739,000 | 8,346,000 | 8,346,000 |
| Vaccine stockpile | 4,000,000 | 3,828,000 | | 4,000,000 |
| Subtotal | 59,452,000 | 56,890,000 | 56,012,000 | 70,012,000 |
| Infectious disease (including AIDS) | 101,655,000 | 97,292,000 | 81,767,000 | 123,365,000 |
| Tuberculosis grants | 5,000,000 | 4,785,000 | | 7,000,000 |
| Chronic and environmental disease prevention | 30,373,000 | 29,065,000 | 24,425,000 | 30,425,000 |
| Occupational safety and health (NIOSH): | | | | |
| Research | 58,702,000 | 56,168,000 | 60,036,000 | 60,036,000 |
| Training | 8,760,000 | 8,383,000 | | 9,900,000 |
| Subtotal, NIOSH | 67,462,000 | 64,551,000 | 60,036,000 | 69,936,000 |
| Epidemic services | 51,281,000 | 49,074,000 | 53,131,000 | 53,131,000 |
| Building and facilities | 3,797,000 | 3,634,000 | 1,810,000 | 3,810,000 |
| Program management | 3,092,000 | 2,959,000 | 3,096,000 | 3,096,000 |
| Less prior year budget authority | −10,000,000 | −10,000,000 | | |
| Total | 461,380,000 | 441,100,000 | 425,255,000 | 518,254,000 |

The Committee has approved a total of 4,135 full-time equivalent staff for CDC in 1987, including reimbursables, an increase of 120 over the 1986 level and 120 over the budget request.

*Preventive health services block grant*

The Committee recommends $89,525,000 for the preventive health and health services block grant, the amount requested, and an increase of $1,976,000 above the 1986 amount. This program was created by combining several categorical grant programs, including health incentive grants, risk reduction and health education, rat control, fluoridation, home health, high blood pressure control, and emergency medical services. This block grant provides States with funds for preventive health services to reduce preventable morbidity and mortality and improve quality of life. These grants give the States greater flexibility in deciding how available funds will be used to meet State priorities in preventive health services.

*Prevention centers*

The bill includes $1,500,000 for this program which was initiated in fiscal year 1986. There was no budget request for this, and the amount provided is $64,000 over the 1986 amount. The number of centers to be funded will be determined by the Centers for Disease Control, and they will be selected through the peer review process.

The principal attribute of each center will be its capability to carry out research projects on population groups and communities. In addition, the centers will undertake demonstration projects that will translate and apply research findings in the community. The centers will also provide health promotion and disease prevention services to defined population groups.

*Sexually transmitted diseases*

For sexually transmitted diseases, the Committee recommends $66,454,000, an increase of $11,001,000 over the budget request and $12,589,000 over the amount available for 1986. This is an increase of 23 percent over 1986. Project grants are awarded to State and local health departments for prevention and control of sexually transmitted disease. The incidence of these diseases remains at unacceptably high levels. The Committee has provided $56,511,000 for grants and $9,943,000 for CDC's direct operations.

The Committee recognizes that this program suffered not only a decrease in funds due to the Gramm-Rudman-Hollings sequestration, but the redirection of substantial funds and personnel to AIDS activities. Approximately $13 million and 77 FTEs were diverted in FY 1985 and 1986 from sexually transmitted diseases to AIDS.

Yet at the same time the problem of sexually transmitted diseases has never been greater. The rate of gonorrhea increased in FY 1985 by almost 7 percent, the first such increase in five years. The Committee is greatly concerned that in addition to this increase, the increase in gonorrhea which is resistant to antibiotics has risen an alarming 70 percent in just one year. Antibiotic resistance makes control efforts extremely difficult and expensive. CDC must be able to prevent and control this problem which is now in every State.

Of particular concern is the problem of chlamydia. For the past several years the Committee has expressed its concern and intention that the STD control program widen its scope to include better efforts in dealing with this problem. Approximately 4.6 million Americans each year get infections caused by chlamydia. It causes infertility in women, can lead to ectopic pregnancy, and can be passed on to newborn babies of infected mothers causing eye infection and pneumonia in these babies.

CDC published "Policy Guidelines for Prevention and Control of Chlamydia Trachomatis Infections" in August 1985 which called for a national prevention and control program for the disease and its consequences.

The Committee understands that the appropriate demonstration projects are nearly completed to design the most cost-effective prevention and control strategies. Thus, the operational research has been done, diagnostic tools are available, and there is a treatment. An investment in control efforts must be undertaken. Teenage girls are at particularly high risk for chlamydia, and the Committee intends that control strategies and educational efforts include projects targeted to teenagers.

The Committee believes that its appropriations for AIDS activities will meet the needs in that area. Therefore, the Committee intends that no further diversion of funds from the STD program to

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AIDS should occur. The Committee intends that the funds provided to the STD program through this bill be used exclusively for STD control programs other than AIDS. The increased funding provided by the Committee should replace some of the past diversions of funds and allow for expansion of the chlamydia control efforts. The Committee has included an additional 55 FTEs in this activity.

*Immunization*

The bill includes $70,012,000 for the childhood immunization program, an increase of $14,000,000 over the budget request and an increase of $13,122,000 over the amount available for 1986. These funds support grants to assist States and localities in carrying out immunization programs against measles, rubella, poliomyelitis, mumps, diptheria, pertussis, and tetanus. The funds include $57,666,000 for grants, $8,346,000 for CDC's direct operations, and $4,000,000 for the vaccine stockpile. The increase in project grants provided by the Committee will finance part of the greatly increased cost of vaccines in recent years. The Committee has restored the vaccine stockpile amount to the 1986 enacted level. It is essential that the stockpile continue to be built up to a six-month supply.

*Infectious diseases (including AIDS)*

For the infectious diseases activity, the bill includes $123,365,000, an increase of $41,598,000 over the budget request and an increase of $26,073,000 over the amount available for 1986. Infectious disease prevention, a major component of the CDC disease prevention program, is important to the goal of reducing morbidity and mortality. The CDC's efforts in infectious disease prevention are to develop new or improved prevention and control methods and techniques and to accelerate the general application of accepted prevention technology.

The Committee continues its concern over the increasing incidence of hepatitis B infections. The CDC has set a goal of reducing the occurrence of this disease threefold by 1990. The Committee understands that a new highly virulent strain, delta hepatitis, now exists with potentially serious public health consequences. The Committee recommends that CDC take steps to strengthen the hepatitis B/liver cancer prevention activities in community settings, with special emphasis on prevention of mother-to-child transmission in high-risk groups. Such activities should include community outreach and patient care follow-up strategies.

Within this budget activity, the bill includes $87,007,000 specifically for AIDS, an increase of $24,874,000 over the 1986 amount. CDC will focus on: National surveillance of AIDS; national and international epidemiologic studies to identify new risk factors and further define modes of transmission; development and evaluation of prevention strategies; assessment of serologic and other diagnostic tests; development of an animal model and participation in approaches for vaccine development and evaluation; transfer of technology to the medical and public health communities for widespread application; continuing the AIDS educational effort directed at hemophiliacs; and provision of AIDS prevention information, education, and recommendations to scientific and public health

communities, high-risk groups, and the public, in support of the overall goal to prevent the transmission of AIDS. The increase recommended by the Committee, which includes 41 FTEs, will enable CDC to expand epidemiologic studies to increase knowledge of AIDS for the design of more effective prevention programs, and accelerate health education/risk reduction activities to prevent or control this dreaded disease.

The general public is in need of accurate and timely information on AIDS. Newspaper, magazine, and television coverage of AIDS has tended to increase the concern of the public about various aspects of AIDS. This increased level of concern has resulted in alarm about the possibility of transmitting AIDS through casual contact. A decrease in the available supplies of blood transfusions in some areas of the country is thought to result from a misunderstanding that AIDS can be transmitted during donation. There is a need, then, to provide accurate and current information on medical issues related to AIDS, methods of transmission, and objectives for AIDS health education and risk reduction. The volume and variety of informational sources on AIDS have made it exceptionally difficult to ensure that everyone involved with AIDS-related activities is kept informed of the latest developments. Public health officials, AIDS control practitioners, health care providers, community support groups, and the general public need current information on AIDS. Unfortunately, information is not always immediately available to these individuals who are on the front line of health care. A centralized source of current information which covers the entire range of AIDS-related activities in a concise and useful manner is required.

The Committee has therefore included up to $3,000,000 for the establishment of a national AIDS clearinghouse to provide information on AIDS health education/risk reduction, including information about HTLV-III/LAV infection, available resources, and effective strategies.

With regard to assistance to local communities, the Committee wishes to reiterate the concerns expressed in last year's report regarding the need for CDC to provide maximum support to high-incidence communities, including minority communities, to enable them to initiate or intensify their risk reduction and education activities. The Committee has provided sufficient funding to assist community-based organizations with innovative high-quality projects.

As pointed out in last year's report (H. Rept. 99-289), the Committee fully supports the collaborative efforts of the Centers for Disease Control and the Division of Maternal and Child Health Services in working with the hemophilia treatment centers with respect to the HTLV-III/AIDS emergency. The Committee noted its serious concern with estimates that up to 90 percent of persons with hemophilia were HTLV-III positive. The Committee's directive provided for increased funding for urgently needed AIDS risk reduction, education, and training in the hemophilia community. The Committee understands that CDC, together with DMCHS, will continue support of this effort in FY 1987. The Committee expects this effort to be further expanded within the increases provided for AIDS, with special focus on methods to reduce the risks and fears

of heterosexual and perinatal transmission, which remain a serious concern to the public at large.

Blacks and Hispanics represent 39 percent of 22,173 cases of AIDS reported in the United States as of June 1986. Because these minority groups are at high risk for developing AIDS, the Committee believes that, with the assistance of appropriate minority organizations, the Public Health Service should implement activities to address the AIDS education, research, and service needs of blacks and Hispanics in all appropriate metropolitan areas. Educational campaigns regarding AIDS and HTLV-III/LAV should provide culturally sensitive and meaningful information to high risk minorities.

*Tuberculosis grants*

The Committee has included $7,000,000 for the tuberculosis grant program, an increase of $2,215,000 over the 1986 amount. The President's budget proposed to eliminate it. Tuberculosis continues to be a major public health problem. Included among the over 22,000 cases of TB reported in 1985 were a large number of drug-resistant outbreaks, as well as an alarming rate of incidence in younger people. It should be noted as well that there is a high incidence of tuberculosis in those persons with the HTLV-III/LAV infection and AIDS. The HTLV-III/LAV infection has emerged as an important risk factor for the development of tuberculosis.

The small reduction in reported TB cases last year is very encouraging to the Committee. Health departments across the nation are successfully using funds provided through cooperative agreements with CDC to address tuberculosis prevention and control. The funds are being used primarily to employ outreach workers to work in high-incidence areas where they are responsible for field follow-ups and for directly observing therapy activities. Every indication the Committee has received from the field and CDC says this program is working well.

*Chronic and environmental disease prevention*

The bill includes $30,425,000 for chronic and environmental disease prevention, an increase of $6,000,000 over the budget request and $1,360,000 over the 1986 amount. Premature death, illness and injuries caused by exposure to environmental hazards are among the most difficult problems facing Federal, State and local health officials. Chronic disease prevention is based on early detection of disease to avoid complications and on changing risk factors which can help to prevent occurrence and progression of disease.

The Committee is aware that some physicians in major hospitals and teaching universities are concerned with the prevalence of severe undernutrition among low-income children who cannot be identified by the current CDC nutrition surveillance system.

The Committee is encouraged by the steps taken to date by CDC to assess the feasibility of implementing a more comprehensive surveillance system. Testimony received, however, indicates that larger demonstration projects will need to be conducted before such a system can be considered.

To address this concern, the Committee has included $1,000,000 and four FTEs and directs the CDC to conduct two State demon-

stration projects to assess the feasibility of a hospital-based surveillance system for severe undernutrition among children in fiscal year 1987.

The Committee has added $5,000,000 and 20 full-time equivalent staff to continue CDC's activities relating to the diabetes control program at the 1986 enacted level. The budget request proposed to eliminate the State projects portion of the program. An important component of the State diabetes control program places particular emphasis on the prevention of blindness due to diabetic retinopathy. The program is designed to prevent blindness by early diagnosis, management, and treatment. While doctors of optometry are educated and clinically trained to diagnose ocular diseases, optometry appears to have been effectively excluded from participation under the program. The Committee believes all health care providers that are licensed under State laws to perform diabetic evaluations to detect diseases of the eye should be utilized under this program. The Committee encourages CDC to fully utilize the resources of doctors of optometry under this program.

The Committee is concerned that American families and individuals continue to be devastated by catastrophic health problems which can be ascribed to chronic diseases—currently the major cause of death, disability, and medical care expense in our nation. Although great advances have been made with respect to chronic disease medical care and disease prevention technologies, the implementation of effective interventions has not kept pace. CDC, with its history of working with the network of State and local health agencies, and its experience and success with the diabetes State projects, is in a unique position to transfer this new technology into community programs to control and/or prevent these chronic diseases and conditions that affect the lives of so many of our citizens. The Committee directs CDC to submit a plan, including required resources, prior to the 1988 budget hearing to begin a coordinated program to address the prevention and control of selected chronic diseases in the United States. CDC is directed to begin assessing existing prevention technologies to identify cost-effective interventions to include in the plan.

Chronic Epstein Barr-Virus Infection (CEBV), a debilitating illness, is affecting an increasing number of people across the United States. The incidence appears to be much higher than was previously indicated. There have been apparent small epidemics of this disease in various parts of the country and reports of thousands of individual cases. The CDC should establish a protocol or surveillance network for reporting the incidence of the *chronic* form of the Epstein-Barr virus by physicians, and serve as a clearinghouse for medical information to assist physicians, researchers, and patients.

*Occupational safety and health*

The bill includes $69,936,000 for the National Institute for Occupational Safety and Health (NIOSH), an increase of $9,900,000 above the budget request and $5,385,000 more than the amount available for 1986. The National Institute for Occupational Safety and Health conducts research, develops criteria for occupational safety and health standards, and provides technical services to gov-

ernment, labor and industry, including training in the recognition, avoidance, and prevention of unsafe or unhealthful working conditions and the proper use of adequate safety and health equipment. These various functions are designed to reduce the high economic and social costs of occupational illness and injury through the prevention and control of occupational disease and hazards.

The Committee has included $8,760,000 for training and to provide for the continued operation of the Educational Resource Centers. The budget proposed to eliminate funding for training of occupational safety and health personnel. In all likelihood, this training would not be accomplished without Federal funding. In addition to maintaining support for the existing network of Centers, the Committee has provided $1,140,000 for a new initiative, expanding the mission of the ERC's to include research and research training. Given the high costs associated with disease and injury in the workplace, the Committee believes it is important to develop new, cost-effective solutions to occupational safety and health problems. A more intensive, research-based training program would facilitate this effort, as well as stimulate improved programs to safeguard worker and community health in the cleanup of hazardous waste sites and in other high-risk occupational settings. The bill also includes the requested increase of $3,868,000 for research.

*Epidemic services*

The bill includes $53,131,000, the same amount as the budget request, for epidemic services. The 1986 amount was $49,074,000. The epidemic services efforts of the Centers for Disease Control focus primarily on three methods of preventing and controlling diseases: disease surveillance and epidemic aid, disease investigation and studies, and reference diagnostic services. The epidemic services activities are an important part of this Nation's approach to protecting its civilian population from epidemics and from deliberate or accidental misuse of biological agents. These programs are carried out by maintaining surveillance systems, epidemic investigators, and laboratory capability for identifying potential problems.

The bill includes the requested increase of $1,750,000 to fund part of the Public Health Service infant mortality initiative. Two mechanisms exist which, in combination, can address this problem: the Pregnancy Nutrition Surveillance System and Behavioral Risk Factor Surveillance System. However, they cannot adequately serve this expanded purpose without substantial enhancement. This initiative would accomplish the development and refinement of the systems to address health risk factors in pregnancy. This will significantly increase State capacity to monitor health-related behaviors associated with poor pregnancy outcome to use the information to direct intervention efforts more precisely and efficiently to those areas and populations in greatest needs.

*Buildings and facilities*

The bill includes $3,810,000, an increase of $2,000,000 over the budget request, for buildings and facilities. This is $176,000 more than the amount available in 1986. Included here is $2,000,000 to partially equip a new high-containment laboratory. This will also

continue those minor repairs, improvements, and minor renovations which will prevent deterioration of the Center's facilities.

*Program management*

For program management, the bill includes $3,096,000, the budget request, and $137,000 above the amount available in 1986. This activity provides for the overall planning, direction, and administration of the programs and activities of the Centers for Disease Control.

The Committee was made aware that CDC has substantially reduced its activities with regard to health inspections of cruise ships. The Committee believes that this was an unwise decision. CDC is therefore directed to immediately resume all of its prior activities with regard to cruise ships.

## National Institutes of Health

The bill includes $6,152,775,000 for the 17 appropriations which together fund the programs of the National Institutes of Health. These include the appropriations for the 12 research institutes, the Division of Research Resources, the John E. Fogarty International Center, the National Library of Medicine, the Office of the Director, and Buildings and Facilities. Funds for research on AIDS are consolidated in the Office of the Director. The new National Center for Nursing Research, which has recently been transferred to NIH, continues to be funded in the bill under the appropriations for Health Resources and Services.

The total 1987 NIH appropriations of $6,152,775,000 recommended by the Committee represent increases of $1,073,628,000 over the amount requested in the President's budget and $893,120,000 over the amounts currently available for 1986, as shown in the table which follows:

| | 1986 appropriation | 1986 post sequestration | 1987 budget request | 1987 bill | 1987 bill compared with— | | |
|---|---|---|---|---|---|---|---|
| | | | | | 1986 appropriation | 1986 post sequestration | 1987 budget request |
| NATIONAL INSTITUTES OF HEALTH | | | | | | | |
| National Cancer Institute | $1,223,206,000 | $1,176,561,000 | $1,158,089,000 | $1,346,751,000 | $+123,545,000 | $+170,190,000 | $+188,662,000 |
| National Heart, Lung, and Blood Institute | 847,370,000 | 810,905,000 | 785,697,000 | 921,410,000 | +74,040,000 | +110,505,000 | +135,713,000 |
| National Institute of Dental Research | 102,523,000 | 98,111,000 | 96,482,000 | 116,275,000 | +13,752,000 | +18,164,000 | +19,793,000 |
| National Institute of Diabetes, Digestive, and Kidney Diseases | 452,181,000 | 433,519,000 | 418,971,000 | 515,455,000 | +63,274,000 | +81,936,000 | +96,484,000 |
| National Institute of Neurological and Communicative Disorders and Stroke | 431,594,000 | 413,024,000 | 399,351,000 | 491,085,000 | +59,491,000 | +78,061,000 | +91,734,000 |
| National Institute of Allergy and Infectious Diseases | 356,164,000 | 340,840,000 | 330,551,000 | 403,853,000 | +47,689,000 | +63,013,000 | +73,302,000 |
| National Institute of General Medical Sciences | 514,528,000 | 492,393,000 | 471,533,000 | 576,562,000 | +62,034,000 | +84,169,000 | +105,029,000 |
| National Institute of Child Health and Human Development | 321,581,000 | 307,743,000 | 309,119,000 | 368,509,000 | +46,928,000 | +60,766,000 | +59,390,000 |
| National Eye Institute | 194,893,000 | 186,508,000 | 179,201,000 | 219,091,000 | +24,198,000 | +32,583,000 | +39,890,000 |
| National Institute of Environmental Health Sciences | 197,379,000 | 188,887,000 | 187,995,000 | 209,872,000 | +12,493,000 | +20,985,000 | +21,877,000 |
| National Institute on Aging | 156,352,000 | 149,623,000 | 145,829,000 | 174,279,000 | +17,927,000 | +24,656,000 | +28,450,000 |
| National Institute of Arthritis and Musculosketal and Skin Diseases | 116,543,000 | 110,723,000 | 106,733,000 | 140,225,000 | +23,682,000 | +29,502,000 | +33,492,000 |
| Research Resources | 303,822,000 | 290,752,000 | 234,192,000 | 317,826,000 | +14,004,000 | +27,074,000 | +83,634,000 |
| John E. Fogarty International Center | 11,390,000 | 10,893,000 | 11,305,000 | 11,443,000 | +53,000 | +550,000 | +138,000 |
| National Library of Medicine | 57,759,000 | 55,273,000 | 56,408,000 | 61,588,000 | +3,829,000 | +6,315,000 | +5,180,000 |
| Office of the Director (including AIDS) | 187,715,000 | 179,643,000 | 179,691,000 | 246,651,000 | +58,936,000 | +67,008,000 | +66,960,000 |
| Buildings and facilities | 14,898,000 | 14,257,000 | 8,000,000 | 31,900,000 | +17,002,000 | +17,643,000 | +23,900,000 |
| Total, National Institutes of Health | 5,489,898,000 | 5,259,655,000 | 5,079,147,000 | 6,152,775,000 | +662,877,000 | +893,120,000 | +1,073,628,000 |

The Committee continues to give the highest priority to the support of investigator initiated research projects, and intends that the amounts in the bill should be used to fund full direct and indirect costs of no fewer than 6200 new and competing renewal awards in approximately the amounts recommended by peer review groups. In addition, the Committee expects that 13,320 noncompeting research projects will be supported at approximately the amounts recommended by peer review groups for a total of 19,520 competing and noncompeting research project grants. The Committee has also provided increased funds for the support of research centers, which may be used for existing and/or new centers, as determined by each institute. In certain instances, this report specifies that additional centers should be funded. For training grant programs, the bill provides sufficient funds for the support of 10,500 trainees. Additional funds are also provided for other essential elements of the NIH intramural and extramural programs, including (but not confined to) research career awards, clinical trials, biomedical research support grants, intramural research, instrumentation grants, construction and renovation of facilities including animal facilities, research management and support, and the National Library of Medicine.

### STAFFING LEVELS

In last year's report, the Committee called attention to the fact that staffing levels at NIH have been drastically reduced in recent years, while appropriations have steadily increased.

The funds in the 1987 bill should support at least 13,500 full-time equivalent positions. The Committee is especially concerned about staffing for patient care at the Warren G. Magnuson Clinical Center. Visitors to the Center report that many beds in the Center are not occupied because of lack of staff. The Committee requests a special report by the NIH Director on staffing at the Clinical Center, to be submitted no later than January 1, 1987. This report should identify the number of patient beds in the Center, the number of beds presently occupied, the number of beds needed to support the intramural research program, and the number of staff presently available for this purpose, compared with ideal staffing levels. The report should also discuss possible methods of improving recruitment and retention of nurses and other patient care related staff, such as contracting out, improving pay and benefits, recruitment into the Public Health Service Commissioned Corps, and so on.

The Committee calls attention to the provision in Chapter VIII of the recently enacted Urgent Supplemental Appropriations Act (P.L. 99-349) which authorizes the National Institutes of Health to pay Clinical Center nurses at the rates of pay and with schedule options and benefits authorized for the Veterans Administration pursuant to 38 U.S.C. 4107. The Committee also requests, as a part of the special report, the NIH Director's best professional judgment as to whether employment ceilings are preventing the Clinical Center from being fully utilized in support of the NIH research program.

The following table shows the NIH staffing recommended by the Committee for fiscal year 1987, together with appropriate comparisons.

NATIONAL INSTITUTES OF HEALTH

[FTES—Fiscal year 1987]

| | 1984 actual | 1985 actual | 1986 estimate | 1987 | |
|---|---|---|---|---|---|
| | | | | President's budget | Bill |
| NCI | 2,416 | 2,230 | 2,072 | 2,072 | 2,209 |
| NHLBI | 863 | 847 | 818 | 818 | 865 |
| NIDR | 335 | 328 | 329 | 329 | 353 |
| NIDDK | 663 | 624 | 600 | 600 | 633 |
| NINCDS | 694 | 666 | 667 | 667 | 704 |
| NIAID | 745 | 737 | 705 | 705 | 780 |
| NIGMS | 169 | 161 | 160 | 160 | 168 |
| NICHD | 462 | 433 | 419 | 420 | 443 |
| NEI | 234 | 215 | 203 | 203 | 215 |
| NIEHS | 695 | 670 | 660 | 660 | 697 |
| NIA | 378 | 356 | 340 | 340 | 358 |
| NIAMS | 53 | 50 | 49 | 48 | 87 |
| RR | 91 | 91 | 91 | 91 | 95 |
| FIC | 61 | 60 | 58 | 58 | 61 |
| NLM | 544 | 531 | 504 | 504 | 533 |
| OD | 587 | 567 | 519 | 519 | 551 |
| Central services | 4,671 | 4,534 | 4,455 | 4,455 | 4,755 |
| (Clinical center) | (2,015) | (1,960) | (1,948) | (1,948) | (2,092) |
| Total | 13,661 | 13,100 | 12,649 | 12,649 | 13,507 |

RESEARCH ON ACQUIRED IMMUNODEFICIENCY SYNDROME

The President's Budget proposed that all AIDS resources be consolidated in the Office of the Assistant Secretary for Health. The Committee has not approved this proposal. For NIH, the bill provides $198,943,000 in the appropriation of the Office of the Director, NIH, to continue the AIDS research program that has been under way for several years and to support new and expanded efforts in the conquest of this disease. These funds will be divided among the Institutes.

Following are the estimated allocations to the Institutes. The Committee stresses, however, that these allocations are tentative, and expects that some adjustments may be necessary.

| | |
|---|---|
| National Cancer Institute | $61,674,000 |
| National Heart, Lung, and Blood Institute | 17,091,000 |
| National Institute of Dental Research | 2,733,000 |
| National Institute of Neurological and Communicative Disorders and Stroke | 2,163,000 |
| National Institute of Allergy and Infectious Diseases | 98,850,000 |
| National Institute of Child Health and Human Development | 2,186,000 |
| National Eye Institute | 104,000 |
| Division of Research Resources | 6,142,000 |
| Office of the Director | 8,000,000 |
| Total | 198,943,000 |

The Committee is also aware that a serious need for personnel resources exists in the NIH AIDS program, including research sci-

entists, skilled nurses and technical support staff, and administrative and management personnel. Therefore, the Committee is providing an additional 103 full-time-equivalent positions to the NIH for the AIDS program.

Within the Institutes, it is expected that research efforts will concentrate on the pathogenesis and clinical manifestation of HTLV/III/LAV infection, the development and testing of agents for the treatment of AIDS and associated diseases, and the development of vaccines to prevent the disease. A research program of this magnitude is expected to include epidemiologic studies to clarify the natural history of AIDS and to continue to expand the spectrum of clinical manifestations; basic scientific studies on the virology and immunopathogenesis of the virus; the development of more suitable animal models; expansion of the multidisciplinary approach to identify and develop agents for the treatment of AIDS and associated diseases; the conduct and support of clinical trials; and the development and evaluation of vaccines employing any of several approaches.

Within the funds provided to the NIH, it may also be possible to launch a new coordinated program in development of new antiviral agents based upon a structural biological approach. Such a program would involve the participation of a large team of physical chemists, molecular biologists, and biophysicists—working together to obtain a full understanding of the AIDS virus. It is anticipated that, at least in the early stages of such a program, the funds would be administered through the office of the Director, NIH.

### SMALL INSTRUMENTATION GRANTS

The Committee has provided funds distributed among the NIH Institutes for small instrumentation grants in response to the findings of a recent instrumentation survey which was funded jointly by the National Academy of Sciences and NIH. This survey, entitled "NIH Program Evaluation Report: Academic Research Equipment Needs in the Biomedical and Medical Sciences", reported on trends in the amount, condition and cost of existing research instrumentation in the Nation's principal research universities and the nature and extent of the need for upgrading research instrumentation. This survey identified many problem areas concerning obsolete or poorly maintained research instrumentation; however, the most significant need cited by the survey is for relatively low-cost pieces of equipment in the price range of approximately $5,000 to $60,000. These funds provided for FY 1987 will begin to address this problem by supporting the purchase of small equipment, which cannot be included on a single research project grant application and which also do not qualify for support under NIH's larger specialized grant programs.

### NUTRITION INFORMATION

Several of the agencies funded in the bill support important research involving human nutrition. The Committee wishes to renew its concern that the Federal Government should speak with one voice when it issues dietary information and nutritional guidance to the public. The Committee expects all agencies to coordinate

such activities with the appropriate agencies in the Department of Agriculture.

### HEALTH AND BEHAVIOR RESEARCH

The Committee continues to support research funding by NIH on the role of behavioral and social influences in health promotion and disease prevention. Last year, the Committee requested NIH to submit a report on the specifics of health and behavior research funded by NIH during the three previous years, as well as future funding priorities in this area. The Committee has received this report, and wishes to commend NIH for its thoroughness in discussing specific funding initiatives in this important research area. NIH estimated that of its total budget of approximately $5 billion in FY 85, it spent $105 million on health and behavior research. As in last year's report, the Committee suggests that NIH pursue the recommendations of the Surgeon General's report, "Healthy People" and the Institute of Medicine's "Health and Behavior". These reports indicate that 7 of the 10 leading causes of death in the U.S., accounting for 50% of all mortality, may be to some extent behaviorally determined. The reports recommend a number of promising research areas related to behavioral and social factors in the treatment and prevention of diseases. The Committee urges NIH to direct each of its research Institutes to consider increased support of health and behavior research, and to report back to the Committee on these initiatives not later than January 1, 1987.

### SLEEP DISORDERS

The Committee has heard testimony that millions of Americans suffer from sleep disorders. Some of the disorders described include insomnia, narcolepsy, sleep apnea respiratory disorders, nocturnal myoclonus, nightmares and night terrors. Older citizens have difficulty sleeping, and night-time wakefulness and wandering is a leading cause of admissions to nursing homes.

The Committee has reviewed a report that was requested last year by the Senate Committee which summarized existing funding for sleep research. The Committee was impressed with the interest NIH has in sleep as well as the breadth and quantity of existing research projects on various diseases and sleep. The Committee recognizes, however, that most of the research cited in the report is peripheral to sleep and related to established research programs in NIH. The fundamental questions of basic sleep research have yet to be addressed.

The Committee believes that NIH should give more attention to sleep research. Therefore, the Committee requests the Director of NIH to consider creation of a trans-institute advisory committee to coordinate NIH policy on this important area of research.

### GAO REPORT ON AFFIRMATIVE ACTION

The Committee has reviewed the March 1986 GAO report on affirmative action at the National Institutes of Health (NIH). The Committee is concerned about the GAO findings that NIH is not in compliance with equal employment opportunity requirements and

requests the Director of the NIH to submit to the Committee a report on progress made in meeting these requirements no later than January 1, 1987. Additionally, the Committee understands that the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) has established procedures whereby the annual performance plans of senior level managers incorporate measurable objectives for achieving minority hiring and program goals. The Committee suggests that this accountability mechanism established by ADAMHA could serve as a model for the implementation of minority objectives at NIH.

### NIH APPORTIONMENT PROCESS

The Committee has received numerous complaints to the effect that new methods for the apportionment of appropriations by the Office of Management and Budget are placing unnecessary restrictions on NIH program management and are creating excessive paperwork. The Committee requests a report from the NIH Director on the subject not later than January 1, 1987.

### NATIONAL CANCER INSTITUTE

The bill includes $1,346,751,000, an increase of $188,662,000 over the amount requested and $170,190,000 over the comparable 1986 appropriation.

The National Cancer Institute reported that continuing progress in basic research is being translated into practical clinical applications which are leading to increasing survival rates for cancer patients. In addition, the Committee was told that in some cases, incidence rates are improving as well. For example, lung cancer in white males dropped nearly four percent between 1982 and 1983 from 82.7 down to 79.3 new cases per 100,000 population.

Cancer was described to the Committee as a process whereby confused cells use normal genetic mechanisms in aberrant ways. Slight, but significant, differences in the genetic makeup of normal versus cancer cells have been discovered, which have major implications for the prevention, diagnosis and treatment of cancer.

Researchers at NCI now understand that the cancer process is a multi-stage one involving two major sequences called "initiation" and "promotion". Oncogenes—the genes associated with cells becoming cancerous—can be activated by either initiating or promoting agents, usually first through exposure to an initiator followed by repeated exposures to one or more promotors. Initiators can include such things as viruses and radiation, while promoters generally involve such agents as dietary fat, or hormones.

It was reported to the Committee that the promotion phase of the cancer process is now being emphasized as a focal point for research. This is due to the vast potential for either preventing or aborting the process in its later stages. For example, the hormone estrogen has been implicated as a promoter of uterine cancer in women. By curtailing its use in treating the symptoms of menopause, a reduction in the incidence of uterine cancer has been achieved.

Through the rapid expansion of basic research, the lag time between scientific discovery and practical application has been short-

ened considerably. NCI's work in basic research has not been confined to just the field of cancer, but to such areas as AIDS research, virology and genetics as well. Recent findings have resulted in the rapid identification of the AIDS virus, the development of a quick and effective screening test for exposure to AIDS, the ability to map gene locations on specific chromosomes and the continued development of recombinant DNA technology which permits the mass production of scarce biological substances crucial to effective therapy.

The Committee learned that, in addition to the relative success of systemic cancer therapies over the last ten years, molecular biology and genetics are playing an increasing role in both the diagnosis and treatment of advanced malignancies. In particular, the Committee was informed of encouraging developments related to the inhibition of oncogene production and/or action. NCI also reported progress in treating previously resistant types of cancer such as breast, rectal, colon and lung, by combining surgery with adjuvant chemotherapy.

Dissemination of research findings continues to be a critical area requiring improvement. A recent review of NCI's database indicates that many cancer patients are not receiving the best treatment currently available as developed through the precise protocols supported by NCI. As a result, it has been estimated that more optimum treatment regimens alone could improve five-year survival rates by as much as 10 percent.

Other promising developments reported to the Committee include advances in immunotherapy, whereby the body's own immune system is enhanced through a process called adoptive immunotherapy. This process involves the transfusions of specially treated anti-cancer immune cells into the cancer patient. Early results with this and similar treatment types have been encouraging.

NCI's Cancer Control Program, now called the Cancer Prevention and Control Program, is continuing to investigate prevention of cancer through interference with the promotion stage of the disease. This research has led to the identification of 450 agents which may possibly inhibit cancer. Fifteen percent of these are being analyzed in-depth. Investigators are also looking to see how dietary fiber works to reduce the risk of colon and other types of cancer.

Cancer centers supported by the NCI are an important resource for the total National Cancer Program. Spread across the country, the centers serve as sites for excellence in scientific leadership for basic, clinical, and cancer control research. Cancer centers foster interdisciplinary research bridging the classical departmental and disciplinary barriers that may exist in research institutions. The centers promote multi-disciplinary investigation to improve the diagnosis, care, and treatment of patients with cancer.

Cancer centers core grant support from NCI provides for program leadership, centralized research instruments, and facilities not otherwise available through traditional research grants. The environment of the cancer centers facilitates scientific communication and is responsible for attracting productive cancer investigators.

The Committee has been told that the Institute has funded cancer center core grants differently depending on whether the

centers are competing or non-competing. The Committee requests a report, to be submitted no later than January 1, 1987, on the Institute's current policies with respect to funding of new cancer core grants, competing renewals, and noncompeting renewals.

The Committee is pleased that the National Cancer Institute has taken the lead in performing population studies as to the causes of occupationally related cancers. The Committee recommends that increased appropriations be used to continue current efforts in environmental and occupational epidemiology through interagency agreements and contracts for intramural research.

Overall, NCI continues to be optimistic about past, present and future efforts to combat cancer. The Institute believes that a key to continued success is maintaining a proper balance of research efforts supported through all the mechanisms of support-grants, contracts, intramural research and cancer control.

### NATIONAL HEART, LUNG AND BLOOD INSTITUTE

The bill includes $921,410,000, an increase of $135,713,000 over the amount requested and $110,505,000 over the amount available for 1986.

The National Heart, Lung and Blood Institute (NHLBI) is responsible for research to combat and prevent diseases of the heart, blood vessels, lungs and blood. These conditions not only account for more than half the deaths in America, but also represent three of the five leading causes of death.

Arteriosclerosis—the hardening and narrowing of the arteries—can lead to heart attack, angina pectoris, stroke and arterial disease. Although high blood cholesterol has long been suspected as a factor in increasing the risk of coronary heart disease, only recently has a clinical trial conducted by NHLBI proven the existence of a causal relationship. The results of this trial have shown that a one percent reduction in blood cholesterol can provide a two percent reduction in the risk of developing coronary heart disease. These findings provided the impetus for the founding of the Cholesterol Education Program in 1985.

Hypertension afflicts more than a quarter of all Americans and is the focus of the National High Blood Pressure Education Program. The Committee was told that this program has made an important contribution to the 48 percent decline in stroke mortality and 34 percent decrease in coronary heart disease mortality experienced since 1972, when the program began. More important than treatment however, is the development of an effective hypertension prevention regimen. An area of special consideration is hypertension in pregnancy which has been associated with 25,000 infant and 300 maternal deaths per year. The Hypertension Specialized Centers of Research are concentrating resources and expertise in basic and clinical research in working toward the prevention of hypertension.

The Committee was informed that coronary heart disease continues to be the leading cause of death in America for both men and women. Recent advances have been made toward effectively dissolving blood clots within coronary arteries which have been narrowed by arteriosclerosis, thus reducing heart muscle damage and

mortality. The increased use of percutaneous transluminal coronary angioplasty (PTCA—the balloon dilation procedure) to relieve coronary narrowing has created questions as to its long-term benefit versus surgery. An ongoing clinical trial addressing this question should provide some answers for future consideration.

NHLBI reported to the Committee that heart transplantation is becoming both more widely available and successful. In 1985, over 600 transplants were performed, an increase of 75 percent over the prior year. In addition, artificial hearts are increasingly being used to assist patients who might otherwise die while waiting for a donor heart. Non-invasive techniques for detecting coronary arterial narrowing, such as magnetic resonance imaging and digital subtraction angioplasty, have shown promise but will require further development and testing.

Diseases of the lung, many resulting from occupational exposure to airborne pollutants, are frequently characterized by immune system disorders. Chronic lung diseases, such as asthma, appear to involve repeated exposure to injurious stimulants of the immune defenses of the lungs. The Committee encourages the Institute to expand work in this area.

The chronic airway obstruction found in chronic obstructive pulmonary disease (COPD) was reported by NHLBI to be the fifth leading cause of death at 66,000 per year. Even more disconcerting, however, is the 39 percent rise in mortality between 1974 and 1984, which makes COPD the fastest rising cause of death in the United States.

NHLBI reported that important advances are being made in developing screening tests and prenatal diagnostic techniques for cystic fibrosis, the most prevalent lethal genetic lung disease in America. Additionally, pre-delivery administration of steroids has been shown to be promising in the prevention of neonatal respiratory distress syndrome (RDS).

In 1972, Congress passed the National Heart, Blood Vessel, Lung and Blood Act (PL 92-423) which stated the need for a national policy on blood research resources. The subsequent formulation of a national blood policy and the addition of blood research to the charge of the National Heart, Lung and Blood Institute in 1976 (PL 94-278) provided mechanisms to increase investment in blood research and education. The Institute has supported Transfusion Medicine Academic Awards and has recently established Specialized Centers of Research (SCOR) in order to augment the existing level of research in tranfusion medicine. The recent emergence of acquired immunodeficiency syndrome (AIDS) and the ongoing problem of blood-transmitted hepatitis underscore the importance of research and education to assure the safety of our nation's blood supply. The Committee encourages the Institute to pursue its emphasis on transfusion medicine research and education.

It was reported to the Committee that a new transfusion technique for treating red blood cell disorders such as Cooley's anemia and sickle cell anemia has been developed which has resulted in longer lasting, less frequent, and less expensive treatment for these conditions.

The AIDS epidemic has created renewed interest in promoting and maintaining the integrity of the nation's transfusable blood

supply. Since both the AIDS virus and viral hepatitis can be transmitted via blood transfusions, it is obvious that the development of effective screening tests for these and other disease factors is of the utmost importance. Current research being conducted toward this end may potentially lead to the development of a vaccine for AIDS.

The Committee received testimony stating that intramural clinical research programs dealing with iron chelation, gene transfer, and fetal hemoglobin switching had been reduced. The Committee believes these to be important research thrusts, and suggests that they be continued at as vigorous a level as possible.

### NATIONAL INSTITUTE OF DENTAL RESEARCH

The bill includes $116,275,000, an increase of $19,793,000 over the amount requested and $18,164,000 over the comparable 1986 amount available.

The National Institute of Dental Research is the leading Federal agency devoted to conducting and supporting research and research training on all aspects of oral health and disease. The major emphasis of the Institute is the elimination of dental caries and periodontal disease, but efforts are also made toward improving the diagnosis, treatment and prevention of other oral diseases such as cancers, bone and joint diseases and bacterial and viral infections.

NIDR reported to the Committee that the latest developments in molecular biology and genetics are being employed in research related to bone and joint diseases. Scientists have now isolated a protein called osteogenin which is believed to be an active factor that can be employed to induce new bone growth following bone fracture or loss. This is especially important for those patients afflicted with common diseases such as osteoporosis and osteoarthritis.

The Committee was pleased to learn of encouraging results from an ongoing animal trial of a potential herpes vaccine. Further animal studies using adjuvants and booster doses are planned prior to human trials. In addition, the NIDR reported that another grantee is working on an alternative vaccine which uses a synthetic peptide derived from the same antigen used in the Institute vaccine.

Research continues on the development of a caries vaccine. In the meantime however, a 1970-1980 NIDR survey of school children indicated a drop of 50 percent in the prevalence of tooth decay in the last generation. Furthermore, the same survey showed that fully one-third of all children under age 17 were caries free. Follow-up studies have indicated that the findings of this survey appear to be holding up. Work is now being done to pinpoint those children most susceptible to tooth decay since the majority of cavities appear to be within a small percentage of children.

NIDR attributes most of the credit for the decline in tooth decay to coordinated water fluoridation programs. These programs are now so widespread that about 53 percent of the population is subject to them. In addition to fluoride, dental sealant technology is advancing to protect the rough surfaces of teeth. It is considered feasible that in combination, fluoride and dental sealants may virtually eliminate caries in children in the near future.

Evidence now suggests that the oral cavity is often the site of severe infections and Kaposi's sarcoma resulting from AIDS. These infections may weaken the body's immune system to such an extent that access to the gastrointestinal and respiratory tracts may be gained with dire consequences.

The Committee encourages continuance of a major initiative designed to improve the oral health of the elderly. NIDR has now completed a major epidemiological survey involving 20,000 older Americans. Once compiled, the data will document the extent and variety of various types of tooth decay, periodontal diseases and other oral conditions in adults. NIDR is also collaborating with the National Institute on Aging and Veterans Administration to produce a document alerting the research community to the needs and challenges in this area.

A very important part of NIDR's agenda is related to developing behavioral and pharmacological techniques designed to relieve the fear and anxiety which prevents many people from pursuing needed treatment. The NIDR cited research being conducted by the Pain Research Unit at the NIH Clinical Center as evidence of its efforts in this area.

Since the prevention and treatment of periodontal disease is a high priority of NIDR, many avenues are being pursued toward this end. The Committee was informed that the approval of chlorhexidene is being sought as a prescription antimicrobial mouth rinse. A clinical trial has also been started which involves using a fluoride mouth rinse as a means of controlling plaque and gingivitis. Steps are also being taken to investigate some severe forms of periodontal disease which seem to run in families. Ideally, tests to identify family members at risk will be developed in order that preventative steps might be taken.

Two years ago, the Institute announced the implementation of a new Dentist-Scientist Award, a 5 year research and study program for dental graduates who wish to pursue careers in research. The objective of the program is to facilitate the movement of research from basic to clinical application by increasing the pool of investigators who combine research knowledge and skills with the expertise of the dental practitioners.

Without a fresh supply of talent, the research enterprise is stalemated. The problem is particularly acute in the case of dental clinical investigations, where the number trained has been declining sharply over the past decade, thereby impeding the rate of transfer of research results to dental practice.

Over the last two years the Committee has provided funds to support 49 dental scientist candidates.

For fiscal year 1987, the Committee has provided $1,790,000 over the President's budget for the dentist-scientist program, in order to permit the institute to fund an additional 25 awards.

### NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

The bill includes $515,455,000, an increase of $96,484,000 over the amount requested and $81,936,000 over the amount available for 1986.

In 1985, Congress established the National Institute of Diabetes and Digestive and Kidney Diseases to conduct and support research on some of the most debilitating, chronic conditions affecting the public health, namely, diabetes, endocrine, and metabolic diseases, digestive diseases and nutritional disorders; and kidney, urologic, and blood diseases. Mutual interests in the genetic, metabolic, and immunologic processes underlying disease, link the programs and divisions of the Institute. Research progress in one area often has implications for developments in other areas. For instance, nutrition is a vital area of study in relation to digestive diseases, kidney disease, and cystic fibrosis. Similarly, advances in understanding and treating end stage renal disease directly contribute to treating diabetics who suffer from kidney damage as a complication of the primary disease.

*Diabetes*

The Committee was informed that diabetes affects approximately 11 million Americans. The complications resulting from this debilitating disease can affect several organ systems including the kidneys, eyes and nervous system. Two major types of diabetes exist—Type I and Type II. Type I diabetes shows indications of resulting from the body's own immune system acting to disable the islet cells of the pancreas which produce the hormone insulin. Scientists are exploring islet cell transplantation as a potentially viable treatment for Type I diabetes.

Type II diabetes develops when the body's cells cannot utilize insulin even when it is available. Abnormalities in insulin/receptor interactions account for some instances when the cells are unable to metabolize insulin. With the deciphering of the genetic code for the insulin receptor, opportunities now exist for further understanding Type II diabetes.

In addition, the National Diabetes Data Group has made a major contribution to understanding the epidemiology and impact of diabetes in the U.S. with the publication of Diabetes in America, a compendium of information about the incidence, prevalence, and risk factors associated with this disease.

The Committee continues to give high priority to research on diabetes and related research in endocrinology and metabolism. The progress in this field in the past few years has been encouraging.

The Diabetes Control and Complications Trial funded by NIDDK has progressed smoothly from the feasibility stage and is currently in full scale operation.

There has also been significant progress made in the past year, according to testimony during hearings, in research related to transplantation of insulin producing islet cells. A number of research programs have initiated clinical studies in this area including studies to determine the best site for transplantation. Refinements have also been made in the procedures for isolation and purification of the cells to be transplanted.

Important research also continues with regard to immune mechanisms related to diabetes, the metabolic action of insulin, genetic factors related to diabetes and improved clinical management of diabetes including the use of technology such as pumps.

The diabetes research program incorporates basic science, clinical research such as trials, training and career awards, center programs, and intramural research. The Committee has provided increased funds for the Institute to carry out a balanced program involving all of these activities and others which the Institute in its scientific judgement believes are important. The Committee also encourages the Institute to continue support for the important developments regarding islet cell transplantation and the Diabetes Control and Complications Trial.

The Committee understands that no funds have been targeted to studies of diabetes in minorities, especially Hispanics, despite the findings and recommendations of the Secretary of Health's Task Force on Black & Minority Health. The Task Force Report cited a diabetes incidence rate among Hispanics three times higher than that of non-Hispanic whites. Among Hispanic women in the barrios the rate is four times that of suburban Hispanic women. These statistics have drawn the Committee's attention to a serious problem among Hispanics on which further research is needed. Therefore, the Committee recommends that the Institute initiate a study of the Hispanic population and the risk factors for diabetes among this population, such as obesity, diet and genetic contribution from Native Americans. The Committee requests a report from the NIDDK, no later than January 1, 1987, on the Institute's progress toward developing and implementing a study in this critical area of public health in America.

*Cystic Fibrosis.*—Progress has been made in research on cystic fibrosis (CF), which affects 1 in 2,000 newborns. Scientists have identified a genetic marker for cystic fibrosis. Though the cystic fibrosis gene itself has not been identified, this work pinpoints the location of the defective gene to chromosome number 7. The search for the cystic fibrosis gene is now narrowed, and the way is paved for tests to identify carriers and possible gene replacement therapy. In related work, investigators are studying a technique which promises earlier identification of children with CF, so that treatment may begin sooner. The Institute is encouraging further research in molecular biology and genetics to increase knowledge concerning the treatment and prevention of CF and other metabolic diseases.

*Human Growth Hormone.*—The Institute discussed the Public Health Service (PHS) efforts to respond to reports that several recipients of human growth hormone (hGH) from the National Hormone and Pituitary Program (NHPP) died from Creutzfeldt-Jakob Disease. Creutzfeldt-Jakob is a fatal degenerative neurological disease related to a small viral particle. Creutzfeldt-Jakob has demonstrated an incubation period of up to twenty years and there is no known cure. Since the suspension of the distribution of hGH by the NHPP and several pharmaceutical companies last Spring, a biosynthetic growth hormone has become available. Yet, approximately 15,000 individuals in this country who have undergone hGH therapy remain exposed to Creutzfeldt-Jakob disease (CJd). The NIH is conducting tests of hGH preparations distributed by the NHPP to determine infectivity, in addition to conducting an epidemiology study to track recipients of NHPP-supplied hormone. The Committee believes that the Institute should continue to fund and fully implement a long-term epidemiological survey of all hGH re-

cipients to assess the level of CJd risk. These and other efforts are coordinated by the PHS Interagency Coordinating Committee on Human Growth Hormone and Creutzfeldt-Jakob Disease, chaired by the Institute. The Institute should also consider the establishment of an oversight panel, composed of representatives from all sectors, to monitor the development, distribution and use of growth hormones.

*Endocrine Research.*—The Committee received the report on NIH plans in endocrine research. This research involves the study of endocrine glands, their hormones, and diseases associated with their dysfunction, in addition to endocrine involvement in diseases affecting other organs and systems. The various aspects of endocrine research conducted by several institutes at NIH are coordinated through several formal and informal mechanisms. The NIDDK plans to recommend the establishment of an Endocrinology Research Program Advisory Committee which will further enhance research efforts.

Endocrinology involves the study of the structure, synthesis and actions of hormones. Hormones are the chemical signals by which cells regulate themselves and by which they communicate with each other. The actions of hormones are major determinants for the normal process of growth, brain function, sexual function and reproduction, food metabolism and digestion, stress management, immune defense, aging, and the abnormal processes of cancer, cardiovascular disease, genetic disease, and nervous system dysfunction and others. Hormones are the basic chemical regulators of cell function and have actions so pervasive that their consequences affect almost all body tissues.

Endocrinology is currently an area of tremendous interest where scientific discoveries show great promise of providing new diagnostic technologies, therapies and cures for a host of human illness. The Committee was informed that in the past five years alone, over 50 hormones have been described that regulate cell growth, immune defense systems and nervous system function to name but a few. Unfortunately, only a small number of these new hormones have been purified and studied in detail. It is important that this network should be continued and expanded. The Institute is encouraged to work in cooperation with other NIH entities on endocrine research programs.

*Digestive Diseases.*—Digestive diseases rank second only to cardiovascular diseases as the leading cause of disability in the U.S. due to illness. The Institute supports basic and clinical research on the normal functioning of the gastrointestinal tract and the diseases and disorders that affect the associated organs. Research has resulted in improved care and treatment for people with digestive diseases. For example, between 1970 and 1980 the number of peptic ulcer patients requiring hospitalization dropped over 40 percent, in 1960 over 3,000 Americans died from inflammatory bowel disease but, by 1980, that figure dropped to well below 800. Research is resulting also in efforts to contain costs of treating gallstones. A technique to dissolve gallstones is being developed which if successful will avoid the cost and risk of major surgery.

Research on brain-gut peptides may uncover the long-sought links between stress factors, the nervous system, and digestive

tract function. Intramural scientists have reported positive results in tests of the two new drugs to treat peptic ulcers. Further testing will determine their benefits for the 4 million people with peptic ulcers.

Based on the testimony received from departmental and outside witnesses, the Committee recommends the Institute make a special effort to provide adequate funding for the Digestive Disease Epidemiological Data Studies. Further, the Committee is concerned about reports of serious difficulties in the development of new research manpower for the field, and the reported decline in young researchers being trained. The Committee therefore requests a report on the trends in the various manpower training mechanisms, along with the projection of manpower needs and required funding levels to meet those needs, to be submitted no later than January 1, 1987.

*Liver Diseases.*—Research on liver diseases and their treatments will be enhanced by the liver transplantation data base and liver tissue distribution system being established by the Institute. The data base will allow study of transplantation when a clinical trial is not possible, and the tissue distribution system will make liver tissue widely available for study.

*Nutrition Research.*—Nutrition research supported by the Institute encompasses fundamental studies on the role of specific dietary components such as vitamins and minerals, nutritional requirements in health and disease, and the underlying causes of obesity. Nutrition research will be enhanced by a technique that has been developed to measure energy expenditure accurately under normal living conditions. The technique will facilitate studies of normal adults on various diets and people with a variety of diseases and conditions in which the proper metabolism of nutrients is vital to maintaining and restoring health.

*Kidney and Urologic Diseases.*—These diseases affect more than 13 million Americans and account for over 80,000 deaths each year. Researchers have made significant progress in dealing with polycystic kidney disease (PKD), which can lead to loss of kidney function. The gene that causes PKD has been localized to chromosome number 16. Through this discovery, scientists were able to develop a diagnostic test to confirm or rule out the presence of the gene in individual members of affected families.

The Institute also is collaborating with the Health Care Financing Administration to conduct a multicenter clinical trial designed to determine whether restricting the amounts of protein and phosphorous in the diet of patients with chronic renal disease can slow or halt the progression of the disease. The feasibility phase of the study is expected to be completed in Fiscal Year 1987, at which time a decision will be made regarding the advisability of proceeding to the full-scale phase of the trial. The Institute is also supporting a feasibility study of diet therapy in children.

Progress was reported in reducing morbidity and mortality associated with kidney transplantation. Each year, scientists gain new insights into matching donor and recipient tissue types, preserving organs for transplantation, and preventing rejection of the transplanted kidney. Blood transfusions given to patients before transplantation have improved the survival of the transplant. Mono-

clonal antibodies offer hope of reversing the process of kidney rejection and of increasing graft survival.

The Committee is greatly encouraged by testimony outlining promising research developments in the prevention of kidney and urological diseases. The Committee notes that the end stage renal disease (ESRD) program now costs $2.8 billion. It is critical to encourage and support research initiatives directed at reducing the number of Americans moving to end stage kidney disease as well as improving the quality of life of the patients with kidney and urological diseases.

The Committee received the Report on an Evaluation of the Proposal to Establish Kidney and Urologic Diseases Research Centers. The proposal to establish six centers, each focused on an aspect of end-stage renal disease (ESRD) and benign prostatic hyperplasia, is considered scientifically feasible and would likely contribute to advances in combating these diseases.

The bill includes funds for the creation of the six kidney-urology centers. The Committee directs that these centers be named for the late George M. O'Brien of Illinois in recognition of his distinguished service in the House of Representatives, and his consistent support for the work of the National Institutes of Health. One of the goals of the centers program will be to focus on benign prostatic hyperplasia, a disease affecting large numbers of men over 50 years of age. The Committee also urges the Institute to consider funding recently authorized programs, including the Kidney and Urology Advisory Board, the Kidney and Urology Data System, the Kidney and Urology Information Clearinghouse, and the Interagency Coordinating Committee for Kidney, Urology and Hematology Research.

In patients with ESRD, urinary tract infections account for renal failure in 12 percent of the adults and 25 percent of the children. NIDDK supported scientists have achieved preliminary results in animals that demonstrate the effectiveness of immunization with the bacterium most often responsible for such infections. The Institute will continue to encourage research which explores the efficacy and feasibility of this technique.

The Committee heard testimony on Interstitial Cystitis, a painful and debilitating condition which is often undiagnosed or misdiagnosed and for which no satisfactory treatment or cure is known. The Committee believes that the Institute should give special consideration to proposals for research directly related to this disease, and should encourage additional research on it.

*Hematology.*—The Institute supports a range of basic research projects in hematology and disease-related research focused on anemias. Scientists have successfully treated aplastic anemia by suppressing the immune system and restoring normal bone marrow function. For the first time, researchers have altered a human gene, thereby offering hope in the future of treating patients with sickle cell anemia by replacing the defective gene for hemoglobin in the patients' own bone marrow cells. Hematology research continues to benefit from broad based support of several institutes.

## NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

The bill includes $491,085,000, an increase of $91,734,000 over the amount requested and $78,061,000 over the amount available for 1986.

The National Institute of Neurological and Communicative Disorders and Stroke (NINCDS) supports and conducts research in the basic neurosciences and communicative sciences, producing information which serves as the foundation for clinical advances. The Committee was informed that a major goal of NINCDS is to establish a well-trained cadre of basic and clinical scientists. A second objective is a thorough reevaluation of the understanding of the functioning of the brain, nervous system and human communication. NINCDS is now ready to address the prevention of neurological and communicative disease, as well as the restitution of function where damage has already been done. Until very recently it was believed that once damage to the nervous system was experienced, it was irreversible in nature. While from a clinical standpoint this still remains the case, nevertheless information is starting to emerge which may challenge this conventional wisdom.

For example, the Committee was told that for the very first time it is possible to halt the spread of brain damage during episodes of stroke. Scientists are now developing methods of handling the waste products of damaged cells which contribute to permanent damage. In animal studies, scientists have discovered that brain cells deprived of oxygen do not die immediately, but can be maintained and regain function many hours after the initial injury.

Prosthesis is also being used to restore lost neural function. Cochlear implants now exist which can allow the profoundly deaf to identify the existence of sound along with some of its characteristics. More sophisticated models are being developed which may permit deaf patients to discriminate between closely related sounds. Eventually, there is hope that computer assisted speech processors will allow the deaf to interpret the human voice as intelligible speech.

While effective methods of treating paralysis and extensive spinal cord damage have yet to be developed, the Committee was pleased to learn of research being done to allow damaged nerve cells to grow again using a combination of bioengineering and modern plastics technology. While this work is still in its infancy, there is reason to believe that at some point in the future the paralyzed may walk again.

The Committee was informed that recent studies have indicated success in treating multiple sclerosis (MS) with a synthetic chemical named Copolymer I. In two of the most significant developments it was shown that this treatment reduced the frequency of MS relapses as well as lessened the overall disability of the experimental group versus the control group not given the drug. Since each MS attack causes additional scarring and loss of central nervous system function, if the number of attacks can be decreased it may be possible to limit the damage associated with MS. The Committee will receive a more complete assessment once a full-scale clinical trial of Copolymer I is completed.

NINCDS reported that ongoing studies are being conducted in an effort to learn more about the basic physiological processes involved in the development of epilepsy. Additionally, research related to the development of more effective and less toxic drugs is being supported through the Antiepileptic Drug Development Program (ADD) at NINCDS.

Epilepsy—the second most prevalent neurological disorder in the United States—affects more than 2 million persons. The individual with epilepsy and family members incur repeated direct and indirect costs. Many of the direct costs are easily identified—medical costs including physician care, medicine, hospitalization, the treatment needs of the severely disabled for continuous or residential care, as well as the costs for special education, research, vocational rehabilitation, unemployment or underemployment and increased insurance rates. Indirect costs result from social, psychological and behavioral problems in degrees ranging from coping with and adjusting to the daily fears and uncertainties associated with epilepsy, to more severe problems which create effective barriers to social adjustment.

This Committee remains concerned that epilepsy research continues to lag behind the rate of growth in total NINCDS funding. In fiscal 1985, 6.5 percent of the total NINCDS appropriation was allocated to epilepsy research compared to 9.1 percent in fiscal 1978. Clinical epilepsy research is also of concern to the Committee. Clinical research centers provide the critical link between basic research and the unmet treatment needs of persons with epilepsy including the more than 200,000 Americans who continue to experience more than one seizure a month. The Committee urges the Institute to consider expanded funding of clinical research centers in epilepsy.

More than 50 percent of all individuals with epilepsy continue to experience regular or occasional seizures. Although more than a dozen drugs are available to treat epilepsy, most produce side effects which can impair an individual's normal abilities. In order to improve the lives of these individuals who pay a high price for seizure control and to assist others achieve seizure control, new and approved anti-convulsants must be discovered. The Committee is particularly concerned with the declining use of the contract mechanism by NINCDS to support the Antiepileptic Drug Development program and other clinical trials and encourages the Institute to reverse this trend.

Due to the continuing concern over escalating medical care costs, the Committee was interested to learn the results of a NINCDS supported clinical trial which demonstrated that a widely used neurological procedure (the EC/IC bypass operation used to direct blood past obstructed brain arteries) is no more effective—and less safe—than available medical therapy for preventing stroke, and therefore should be abandoned. This course of action would potentially save millions of dollars since this procedure costs an average of $15,000 each and several thousand are performed annually.

Some of the most devastating neurological diseases are those caused by genetic factors. Encouraging progress is being made in this area using the latest techniques in biogenetics. The genes responsible for some neurogenetic diseases have been identified and

the defects they produce are being analyzed. The Committee urges NINCDS to continue its efforts to compile the various manifestations of neurogenetic disease, like neurofibromatosis, by documenting the natural histories of the diseases and the relevant clinical aspects.

The Committee is encouraged by the progress reported in the area of Alzheimer's disease research. NINCDS reported advances in understanding the epidemiology of the disease, its possible cause(s), and the chemical changes which occur in the brain. A recent joint study by American and Italian scientists has indicated that persons whose siblings suffer from any form of dementia may be up to eleven times more likely to develop Alzheimer's disease than the general population.

Studies of the chemical pathology that accompanies the neurofibrillary tangles and neuritic plaques characteristic of Alzheimer's disease reveal that two species of proteins, MAP II and tau, present in normal neurons, are highly modified in Alzheimer's disease. The human gene for the tau protein, a component of the tangle, has very recently been identified and cloned. Very recently, it has been reported that the amount of corticotrophin releasing factor (CRF) in the Alzheimer brain is diminished, while receptors for CRF are increased. Thus, new insights into Alzheimer's disease continue to be derived from NINCDS supported research, which open possibilities for intervention in the disease heretofore unknown.

Collaborative efforts have been undertaken between the NINCDS and the National Institute of Child Health and Human Development (NICHD) in respect to Rett's Syndrome. The International Conference on Rett's Syndrome, which was held at Johns Hopkins University, was significant in that it delineated that Rett's Syndrome is in fact a specific disease. It is anticipated that NINCDS and NICHD will consider research grant applications concerning Rett's Syndrome in fiscal year 1987.

The Committee continues its special interest in neurogenetic disorders. Gaucher's disease, a lipid storage disorder caused by an enzyme deficiency, is being comprehensively studied from the level of the gene to the patient. Last year a major breakthrough occurred when the research team that cloned the gene for the defective enzyme developed a new tissue culture model for Gaucher's disease. Gene transfer studies and lab tests with bone marrow are in progress and are bringing the application of this method to patients a step closer. Gene transfer studies offer great promise for finding a cure for Gaucher's disease and other related disorders.

As research on Gaucher's disease contributes to advances in biomedical research and serves as a model for investigating related disorders, the Committee urges the institute to pursue gene transfer and molecular genetics research. The Committee understands that additional space, personnel, equipment and supplies could be productively utilized for new studies in molecular genetics relating to Gaucher's disease.

At the encouragement of the Committee last year, NINCDS sponsored a working group which met and established diagnostic criteria for all forms of Neurofibromatosis. In light of the complexity of the disorder, the Committee recommends that NIH sponsor a consensus conference to meet no fewer than 3 times during FY 87 in

order to develop a 3-year plan for further investigation by the NF working group of standardized care for people with NF and the adequacy of data concerning the prevalence and treatment of the disorder

For example, during the first year the definition of Neurofibromatosis, diagnostic criteria, standardized clinical care could be determined and the consensus opinion could be published and disseminated to the appropriate professionals. During the second year, the determination of the adequacy or deficiency of the multi-disciplinary clinical care centers could be made along with the development of a plan for documentation of the adequacy of care for the people with NF. During the third year, an updated report could be prepared on the status of NF research sponsored by all institutes of the NIH and other sources. Reports of the findings would be reported at the end of each consecutive fiscal year.

Diabetic neuropathy and other disabling neurological complications are present in approximately 25 percent of the diabetic population in the United States. These complications involve both the sensory and motor functions of the peripheral nervous system as well as the autonomic nervous system, which controls the function of many internal organs. Diabetes can also affect the central nervous system because the accelerated atherosclerosis associated with the disease predisposes patients to stroke. Despite the seriousness of the problem, diabetes funding as a portion of the NINCDS budget has decreased in recent years and NINCDS has withdrawn from the Diabetes Control and Complications Trial.

The Committee encourages the Institute to expand its research into the neurological complications of diabetes in a manner consistent with recommendations of the National Diabetes Advisory Board.

The Committee learned that, in spite of last year's recommendation requesting research on Batten's disease, little research was funded in 1986. Therefore, it requests that the Institute actively solicit applications for grants of quality for Batten's disease and report on progress with respect to Batten's disease at next year's hearings.

Tuberous Sclerosis is an often fatal disease characterized by mental retardation, seizures, skin lesions, and tumors. Currently, no cure exists, and the only hope for the victims of this terrible disease lies in further research. The Committee urges that research relating to this disease be continued and expanded.

### NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

The bill includes $403,853,000, an increase of $73,302,000 over the amount requested and $63,013,000 over the amount available for 1986.

The National Institute of Allergy and Infectious Diseases (NIAID) conducts and supports research and research training in infectious diseases, allergic diseases and other diseases caused by disorders of the immune system.

NIAID reported to the Committee a number of accomplishments in molecular biology which have had practical application for disease treatment and prevention. For example, it was reported that

genetic cloning technology has been used to produce factors such as interleukin-2 and interferon which can be used to manipulate the immune response. These developments can be used to increase the success rate in organ transplants in addition to potentially leading toward recombinant DNA produced vaccines for diseases such as malaria, hepatitis B and whooping cough.

Encouraging advances in understanding the virus responsible for acquired immunodeficiency syndrome (AIDS) were reported. The complete genetic makeup of the virus has been uncovered and the genes which code for all the important components have been cloned.

NIAID has been working with the National Cancer Institute in designing a comprehensive plan for the development and testing of drugs to be used in the treatment of AIDS. This plan is part of a "three pronged" approach to combating the basic disease as well as associated infections and tumors which includes: (1) the development of antiviral agents that will either kill or suppress the HTLV-III/LAV virus which causes the basic immune defect; (2) the development of drugs and/or procedures in order to enhance or repair the damaged immune system; and (3) the development of drugs to treat the numerous AIDS-related infections and tumors.

An AIDS Drug Selection Committee has been established to evaluate drugs for potential and steer them through the development process. Preclinical studies will be performed through existing NCI programs. Clinical tests will be conducted in AIDS Treatment Evaluation Units, supported through contract by NIAID. A network of about ten of these units will be established throughout the country to provide both faster evaluation of prospective agents and more AIDS patient access to the clinical studies. A number of drugs are currently in the clinical evaluation phase of the program.

NIAID scientists are using genetic engineering in efforts to develop a vaccine for the AIDS virus. In addition, the Institute told the Committee that it is investigating the natural history of AIDS, including its modes of transmission, in a number of large-scale epidemiologic studies in the United States and several foreign countries.

Asthma, hay fever, and other allergic reactions are the result of inappropriate responses to common substances. Through testimony, the Committee has learned that such diseases are among the nation's most common, costly, and misunderstood health problems, afflicting approximately one of every six Americans or 40 million people. Estimates indicate that 9 million Americans suffer from asthma, another 15 million have hay fever alone or allergic reactions to food, drugs or insect stings. More than 6 million of these sufferers are children who have at least one allergic disease and must live with the chronic and costly disorder for a lifetime. The Institute's emphasis on research in basic clinical immunology and allergy has led to important advances in asthma treatment. The Committee encourages the Institute to continue and expand its efforts to combat asthma and other allergic conditions.

Research accomplishments reported by NIAID related to the prevention and treatment of disorders of the immune system include: (1) the identification of a growth factor which encourages the pro-

liferation of human B lymphocytes which may be responsible for the pathogenesis of certain autoimmune diseases; (2) a greater understanding of antigen receptors on the surface of T lymphocytes which may provide clues as to what specific antigens cause certain immune disorders; and (3) the development of monoclonal antibodies which can be used to mediate the rejection phenomena in kidney and bone marrow transplants and aid in the preservation of organs during storage prior to transplantation.

Although there have been advances made in the understanding of asthma and other allergic disorders, mortality rates and hospitalizations for such diseases have been increasing yearly. The increase in disease for children with asthma has been four fold since 1972. NIAID informed the Committee of research being conducted to evaluate the value of fish oil enriched diets in the treatment of asthma and allergic inflammatory disorders. In addition, drugs such as histamine are being further developed to combat hypersensitivity reactions.

The Institute reported on a variety of efforts aimed toward the control of infectious diseases. In addition to the improvement of traditional treatment modes which include antibiotics and antiviral drugs, a major emphasis is being placed on disease prevention.

One of the most effective prevention procedures—vaccination—is of great importance to NIAID. The program for the Accelerated Development of New Vaccines continues to guide the Institute's efforts to use recent technological advances for the development of new and improved vaccines. Vaccines for hepatitis B, respiratory syncytial virus, *haemophilus influenzae* type B, influenza, and varicella have been given the highest priority for use in the United States. Five additional vaccines have been slated for accelerated development to meet international needs. A vaccine for the AIDS virus has also been placed on NIAID's list for accelerated development.

The Committee is aware that sexually transmitted diseases continue to represent a major problem both domestically and worldwide. The Institute continues efforts to develop an effective vaccine for Gonorrhea. Chlamydial infections are especially serious due to the difficulty in diagnosing them. A new monoclonal antibody technique has been developed that will greatly facilitate the identification and treatment of these infections. NIAID also has plans to establish a new research unit to focus on the problem of chlamydia.

Over the years, the Committee has expressed its concern about the priority accorded funding for research on sexually transmitted diseases. The incidence of these diseases continues to rise with more than 12 million new cases of STD occurring each year. STDs caused by viruses must be more adequately addressed, if more effective prevention and control strategies are to be initiated. Chlamydia causes 4.6 million infections each year, with dangerous consequences for women and their babies. The Committee urges the Institute to encourage more research in this field to ensure that needed answers are forthcoming. The Committee requests that NIAID prepare and submit a report, by January 1, 1987 on the extent to which it has met the recommendations for STD research funding of its 1980 Study Group on Sexually Transmitted Diseases.

Current studies indicate an increasing incidence nationwide of a physically and psychologically disabling illness, Chronic Epstein-Barr Virus Infection (CEBV). The Committee encourages NIH to expand research studies on CEBV to improve diagnostic techniques, develop treatment, and search for an eventual cure of this debilitating disease which is affecting thousands of Americans.

NIAID discussed its continued efforts to develop and test antiviral drugs for a number of other viral infections. These efforts include refining more efficient production techniques for naturally-occurring immune factors—such as interferon—which have shown promise in treating specific types of viral diseases.

Information dissemination to health professionals and the general public is continuing to receive high priority at NIAID—especially in relation to AIDS. A number of conferences have already been sponsored on the subject, along with plans for a new series to be held beginning in June of 1986.

### NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

The bill includes $576,562,000, an increase of $105,029,000 over the amount requested and $84,169,000 over the amount available for 1986.

The basic molecular biology supported by the NIGMS allows scientists to expedite experimental efforts which are proving to have significant potential for industrial and agricultural applications, as well as biomedical research.

The largest share of the NIGMS budget is allocated to the Genetics Program, because recent research has made it clear that genetic factors directly cause, or are major contributors to, hundreds of diseases and disorders. Research in the area of developmental genetics indicates that certain "regulatory genes" may work in some coordinated fashion to turn other genes off or on at precise moments over time. These precisely timed events appear to control many processes ranging from cell division to tissue differentiation. The implications of this process for the development of certain diseases, such as cancer, may be immense.

The Committee was told that other studies have indicated that normal development and health may depend largely on where a gene is positioned and the effect its neighboring gene sequences have on its activity. It appears that some serious health disorders may be associated with rearrangements of genes on chromosomes.

Gene mapping—a process so time consuming and difficult that only a few hundred of the estimated 100,000 human genes have been located—is another priority area for NIGMS. The Institute continues its efforts to streamline and perfect techniques which would help scientists locate the remaining thousands of human genes which play a vital role in health and disease.

Because so many diseases involve problems at the cellular and molecular level, the Committee was informed that NIGMS devotes the second largest share of its research budget to its Cellular and Molecular Basis of Disease Program. Much of the work supported by this program deals with the receptors on the surface of cells. Since a host of physiological processes are mediated by receptor activity, it is vitally important to study all aspects of this activity, in-

cluding how both abnormal and normal cellular events are triggered.

NIGMS supports research related to the pharmacological actions of drugs and anesthetics. The several areas of particular interest include: (1) determining and modifying the structure of drugs to enhance their effects and minimize undesirable side effects; (2) developing new techniques to synthesize medicines more quickly and in much purer form; and (3) the synthesis of artificial enzymes to be used in the production of medically important substances normally available only in minute quantities in nature. Results from this work often have significant applications in industry and agriculture.

In recognition of the growing use in biomedical research of techniques traditional to physics, NIGMS is conducting work on the structural configurations and chemical interactions that occur between proteins and nucleic acids (DNA and RNA) since these interactions are central to many genetic and cellular processes. Illustrative of the potential importance of this biophysical research is the recent determination by an NIGMS grantee of the three-dimentional structure of one type of human cold virus—a breakthrough which will permit detailed study of why the structure of this virus allows it to attach to and infect human cells.

Trauma, including burn injury, continues to receive substantial attention at NIGMS. The Committee learned of recent advances in skin grafting techniques and artificial skin, various therapeutic interventions, and exploration of the factors which contribute toward wound healing. It is hoped that the results from such research will prove useful in treating the estimated 130,000 Americans who suffer serious burns each year.

The Committee recognizes that future progress in both clinical and basic research will depend on the number and quality of persons preparing for careers in biomedical research. The research training programs supported by NIGMS play a large role in preparing a cadre of talented new investigators. NIGMS cited a recent study conducted by the National Academy of Sciences which demonstrated that men and women trained in NIGMS-supported predoctoral programs have been more productive scientists than those who did not receive NIH research training support. Of particular note are the Medical Scientist Training Program and the Minority Access to Research Careers Program which are directed to addressing recognized national shortages of physician-researchers and minority researchers.

### NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

The bill includes $368,509,000, an increase of $59,390,000 over the amount requested and $60,766,000 over the comparable 1986 amount available.

The National Institute of Child Health and Human Development (NICHD) supports and conducts research to improve the health and well-being of infants, children, and adults. Much of the work of the NICHD is directed toward understanding normal human development and the processes that transform a fertilized egg into an infant, the growth of an infant into a healthy adolescent and adult,

and the complexities involved in contraception, childbearing and childrearing. The knowledge gained is applied to solving some of the Nation's most costly and significant health problems, including infant mortality, birth defects and mental retardation.

Low birth weight is the major infant health problem in the U.S. today. Low birth weight (5½ pounds or less) is associated with two-thirds of all deaths during the first year of life. The Committee was told that NICHD research activity has increasingly focused on low birth weight and its causes—premature labor, intrauterine growth retardation, or a combination of both.

The Institute has recently funded two clinical centers and two multicenter clinical networks to focus on the areas of intrauterine growth retardation (IUGR), problems in clinical obstetrics and evaluation of new treatment and management techniques in caring for critically ill infants in neonatal intensive care units. Both the centers and networks have the long-term goal of decreasing the incidence of fetal and infant deaths and improving the quality of life of infants surviving IUGR prematurity.

Research advances in understanding the needs of premature or low birth weight babies have led to better medical care for these infants, and babies who just a few years ago would have died are now being saved. However, because these babies must overcome severe problems of development to survive, some of them are affected by life-long problems such as learning disabilities, mental retardation or hearing or sight impairment. The NICHD recently started participation in a study to assess whether intensive intervention is effective in ameliorating the developmental defects often associated with low birth weight. The intervention will include home visits by child development specialists and training the children's parents in infant stimulation techniques. At the end of the project the children receiving the intervention will be compared with children who did not receive special attention.

NICHD reported that it conducts and supports an intensive program of research into discovering the causes of birth defects. The ultimate goal of this research is to be able to treat or prevent these problems from arising. The key to unraveling the mystery of birth defects lies in understanding the structures, components and mechanisms of action of individual genes. In order to facilitate research to this end, the Committee learned that NICHD has established a DNA repository that by the end of the next decade may hold DNA segments representing the complete set of human genes. The repository will enable scientists from around the world to locate and easily acquire small pieces of human DNA to study and diagnose genetic diseases.

NICHD also reported that between the ages of one month and one year, the Sudden Infant Death Syndrome (SIDS) is the leading cause of infant death. The NICHD supports a comprehensive research program to discover the causes and identify the risk factors associated with SIDS. In response to fears that were raised concerning a possible association between SIDS and DPT vaccinations, NICHD researchers found no association between the two.

Accidents, not disease are the leading cause of death among children and adolescents. The NICHD supports a research program on behavioral factors that can be used to prevent unintentional inju-

ries. Studies on how to prevent scalding due to hot water, and on promoting seat belt use have been supported. Findings from these and other studies will provide pediatricians and other health care providers with information to use when providing child care advice to parents.

NICHD scientists reportedly have recently isolated the toxin of the organism which causes whooping cough and are initiating field trials which they believe will form a much safer and more effective pertussis vaccine than the current DPT vaccine used. The Committee was also encouraged to learn that these same scientists have been successful in generating new vaccines against typhoid fever and *Hemophilus influenzae* type B. The new typhoid vaccine, which is now in field trials in Nepal and India, appears to be longer-lasting and has fewer side effects than its predecessor. *Hemophilus influenzae* is a serious cause of sickness and death in infants and is the leading cause of acquired mental retardation in this country. NICHD scientists have now produced a *Hemophilus influenzae* vaccine that fully protects infant monkeys and is very promising for use in human infants.

NICHD told the Committee that it supports a comprehensive research program in the population sciences. One goal of this program is to develop safe, effective alternative methods of family planning. It was learned that despite the array of currently available methods, half of the six million pregnancies in the U.S. each year are unintended. In FY 1985, NICHD began an intensive program to decrease the incidence of unintended pregnancy, the Contraceptive Development Initiative. A result of this program was the isolation of a protein, called inhibin, which potentially blocks the development of egg and sperm cells without upsetting the body's hormone balance. This finding may lead to improved birth control for women and provide the basis for a hormone contraceptive for men.

In studies designed to evaluate the safety and effectiveness of various contraceptive methods, a group of NICHD-supported researchers reported that young women who have used oral contraceptives are at no greater risk of developing breast cancer than are women who have never used birth control pills. The results of the study showed that, regardless of the age at which women started using the pill or how long they used it, there was no increased risk of breast cancer in premenopausal women. Researchers are now looking at older women (post menopausal) to determine if pill use affects their risk of breast cancer. Apparently, about 70 percent of all women in the U.S. have used birth control pills at some time.

NICHD informed the Committee that recent research has raised some concerns about the safety of certain IUDs. Two studies each found that women who have used IUDs for birth control are more likely than other women to become infertile. This increased risk seems however, to depend largely on the type of IUD used. These findings are the first direct evidence of a long-suspected link between the IUD and infertility. The studies also indicate that the copper-bearing devices, the most popular IUDs in use today, are less likely to lead to infertility.

The Institute has had a long standing program in the area of contraceptive research. The Institute has developed and imple-

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mented a special initiative in contraceptive research, encompassing the following four areas; biomedical research in the basic reproductive sciences, development and testing of new contraceptive methods, evaluation of the safety and effectiveness of existing contraceptive methods, and behavioral research on aspects of contraceptive use.

The Committee appreciates the progress made thus far by the Institute. But because it has become apparent that certain methods of contraception are in increasingly limited supply due mainly to greater liability costs, the Committee strongly encourages NICHD to continue to vigorously pursue the contraceptive development initiative and to make this an even greater priority within the Institute.

Last year the National Institute of Child Health and Human Development and the National Insititute of Neurological and Communicative Disorders supported the Second International Conference on Rett syndrome. The Conference was highly successful in bringing together internationally renowned scientists, allied health and education professionals, and parents to discuss and exchange knowledge and research efforts.

The Committee urges the Institutes to continue and increase their collaborative efforts relating to the study of Rett syndrome. Specifically, increased efforts are needed in the study of genetics, epidemiology, neurochemistry, and pathogenesis of the disorder as specified in the June 1986 special edition of the American Journal of Medical Genetics. Studies relating to therapy and behavioral disturbances are also necessary.

The goal is to identify genetic markers and to learn how this baffling and progressive disorder comes about.

The Committee expects that a portion of the increased funds provided in the bill will be used for activities relating to Rett syndrome. The Committee has added $500,000 specifically for this purpose.

Last year's conference report language called upon the Director of NICHD to move forward to provide research and research training opportunities in developmental immunology, an important field of investigation in helping to address continuing public concerns over the AIDS crisis.

The Committee reiterates the importance of increasing research training opportunities in this critical field, and expects to be kept apprised of NICHD's efforts in this regard.

The Committee supports the efforts of NICHD in the area of mental retardation. Gains have been made in behavioral and biological treatment approaches to mental retardation. The Committee encourages NICHD to give priority to this area. In particular, the Committee understands that because mental retardation involves many behavioral factors with numerous biological and psychosocial causes, collaborative research programs incorporating behavioral and biological components are indicated.

Research has consistently linked the greatest incidence of mental retardation to psychosocial disadvantage. The Committee remains concerned about this finding and encourages NICHD to pursue research concerning the influence of environmental factors in mental retardation. Particular attention should be devoted to studies di-

rectly relevant to the prevention and treatment of mental retardation and related disorders.

The Committee wishes to express its support for NICHD efforts to study ways to prevent childhood injuries, which remain the leading cause of death and disability for children over the age of one. Studies have demonstrated the effectiveness of a variety of behavioral interventions to prevent injuries such as through the use of child car seats and seat belts. Likewise, studies have demonstrated effective methods for teaching parents methods to prevent scalding from hot water. The Committee again urges NICHD to support research in this area.

Studies of the effects of a variety of environmental toxicants on the health and behavior of children is also an important priority area for NICHD. Past research by NICHD has focused almost exclusively on the neurological and biological effects of toxicants such as lead. Additional attention needs to be directed to the many behavioral consequences of exposure to a wide variety of potential toxicants including obstetric medications. Studies are needed which examine the relationship between various toxicants and developmental delays, learning disabilities, and other psychological impairments.

The Committee wishes to commend NICHD for holding a recent conference on the health status of minority children. The Committee has long expressed its concern over the differences in health status among different segments of our nation's children. The Committee urges NICHD to follow up this conference by supporting studies to explore the reasons for these differences. Particular attention should be given to studies examining the relationship between lifestyle and health, with an emphasis on preventive intervention strategies.

### NATIONAL EYE INSTITUTE

The bill includes $219,091,000, an increase of $39,890,000 over the amount requested and $32,583,000 over the amount available for 1986.

The National Eye Institute (NEI) supports research to reduce the physical, emotional, and financial costs of eye disease, visual impairment, and blindness. These problems, which seriously affect one of every twenty Americans, cost $16 billion each year in direct payments for professional care and special services. Institute programs include a wide range of studies to improve prevention, diagnosis, and treatment of vision disorders.

Diabetes is the disease which is the leading cause of new blindness among middle-aged Americans today. During this past year, NEI reported to the Committee that two clinical trials yielded results that can significantly improve the visual health of people with diabetes. Indications from one trial are that early laser treatment of macular edema, a condition which causes blurring of sight in many diabetics, can cut in half the risk of losing vision. The potential dollar savings from the successful application of this technique may reach up to $100 million a year. These findings once again illustrate how important it is for diabetics to have regular eye examinations. Another trial showed that when a person with

advanced diabetic retinal disease loses sight from bleeding into the center of the eye, his or her chances of recovering good vision are better if a type of surgery called vitrectomy is performed soon after the hemorrhage.

NEI reported that it is also taking another approach to the problems of diabetic retinopathy. Mounting evidence suggests that an enzyme called aldose reductase plays a biochemical role in the development of many diabetic complications which can result in loss of vision, sensory perception, limb function and even death. The use of inhibitors of this enzyme appear to provide a promising mode of treating these complications.

The Institute, in its studies on diabetes-related eye disease, is carrying out a whole spectrum of activities including clinical trials and basic research.

The Institute reported that it supports a total of 28 clinical trials at the present time. These studies address some of the most important problems in ocular medicine. The substance of these trials ranges from the exploration of new techniques to ensure the success of detached retina surgery to the potential use of corneal tissue matching to improve the prospects of corneal transplantation.

The Committee was pleased to learn that during the past year NEI began a study to learn what factors may predispose a person to develop cataract, an eye disorder that necessitates 850,000 to 900,000 surgical operations each year. This new study has the potential of contributing new knowledge about the causes of cataracts and how they may eventually be prevented.

The Institute is also supporting studies to learn more about risk factors for glaucoma. The aim of one very important epidemiological study is to determine whether glaucoma is more prevalent and runs a more severe course in blacks than in whites. This may eventually lead to the development of an effective prevention strategy for glaucoma, especially in higher risk populations.

NEI researchers reportedly are making full use of advances in immunology, molecular biology, and neurobiology. For example, research in ocular immunology includes the use of immunochemical and biochemical techniques to study the components of normal versus cataractous lenses and of the fibers which hold the lens in place within the eye. These studies will provide valuable information of the conditions which lead to cataract, lens dislocation and other ocular problems.

In the area of neurobiology, NEI told the Committee that its investigators are carrying out studies to learn what molecular and cellular features of the brain enable it to coordinate the extremely important functions of visual processing, visual perception, and visually guided eye movements. In addition, advances in molecular biology and genetics are proving to be of great importance since many eye disorders—such as certain types of cataracts, color vision defects and some eye cancers are known to be hereditary.

The Committee encourages the Institute to continue pursuing a balanced program of basic and clinical research aimed at developing fundamental knowledge about disease processes and applying the results of this research in well-evaluated clinical intervention techniques.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

The bill includes $209,872,000, an increase of $21,877,000 over the amount requested and $20,985,000 over the amount available for 1986.

This year marks the twentieth anniversary of the founding of the National Institute of Environmental Health Sciences. This Institute was created to conduct scientific investigations into the questions of effects of chemical, physical and biological environmental agents on human health. During the past 20 years, a new scientific field, that of environmental health research, was established; a cadre of scientists with unique expertise was assembled; and a science base put firmly in place that has enabled NIEHS to evaluate the public health impact of exposure to substances such as benzene, dioxin, DES, PCBs and asbestos.

In order to attack these problems, NIEHS has developed four major scientific divisions. Scientists in the Intramural Research Program concentrate on understanding the various ways in which environmental factors enter and disrupt the normal functioning of biological systems. The Biometry and Risk Assessment Program utilizes epidemiological studies and mathematical models in conjunction with studies of underlying biological mechanisms to evaluate the risks of various chemicals. The Toxicology Research and Testing Program is the core of the National Toxicology Program, and through its toxicity testing and test method development provides much of the scientific information used by other public health and regulatory agencies as they endeavor to protect society from the health risks associated with toxic chemicals. And finally, the Extramural Program funds research and training in a wide range of disciplines throughout the country. Such support has fostered a network of scientific expertise at universities and research centers concentrating on the prevention, diagnosis and treatment of a variety of environmentally induced diseases.

*Reproductive Toxicology.*—Some particularly promising research advances have been made in the Institute's reproductive toxicology work. Diethylstilbestrol (DES), which has well documented human exposures, is representative of a large group of chemicals that have more recently been discovered to behave in a weakly estrogenic manner. There are two major sources of distribution for these hormonally active chemicals in the environment: those synthetically produced and those that are naturally occurring in plants and in crop molds. The structural basis of their estrogenic activity is poorly understood. Currently, NIEHS is directing a major research effort towards elucidating the molecular structure common to these classes of compounds in order to predict more accurately those chemicals that will exert estrogenic effects on exposed humans. Such insight provides opportunities for development of new therapeutic strategies for cancer prevention in estrogen target tissues such as breast, cervix and uterus.

*New Environmental Research Technology.*—New biological tools such as gene cloning and radioimmunoassays, which allow the recognition of specific types of DNA, are providing significant opportunities for more rapid progress in the environmental health sciences. This new, more sophisticated technology may permit scien-

tists to identify more accurately the "footprints" left by certain toxic chemicals. Such evidence, for example, that a specific individual has been exposed to a particular chemical should make epidemiological studies more powerful tools in assessing health risks.

*National Toxicology Program.*—For the past several years NIEHS, through the National Toxicology Program, has been actively involved in the testing of a number of Superfund-related chemicals. These are chemicals of significant public health concern because of their frequent occurrence in waste dumps. The toxicological information provided by NIP on these compounds contributes to the knowledge base necessary in determining appropriate public health and environmental action regarding toxic chemical dumps. In this effort, NIEHS works closely with the Environmental Protection Agency and the Agency for Toxic Substances and Disease Registry of the Public Health Service.

*Short-term Testing.*—NIEHS now has a unique data base on known carcinogens and non-carcinogens. This is allowing scientists to evaluate the correlation between results of short-term mutagenicity screens and the results of chronic carcinogenicity studies. The results of this work should permit better definition of the limits of predictability of short-term tests.

*Acid Rain.*—The NIEHS has prepared a plan of research for studying the health effects of acid rain. The report points out that acid rain is a complex event, not a single toxic substance or group of substances per se, that can result in increased human exposure to air pollutants and heavy metals. Currently NIEHS is supporting a significant amount of research related to this problem. The report identified certain areas that would more fully round out this research effort. These areas encompass epidemiologic studies as well as laboratory research into the synergisms and antagonisms among toxic components of acid rain, and into the potential health effects of aluminum.

The Committee is pleased to note that the National Institute for Environmental Health Sciences is largely responsible for the research on nearly all of the substances which the Labor Department has announced are to be scheduled for new health standards.

### NATIONAL INSTITUTE ON AGING

The bill includes $174,279,000 an increase of $28,450,000 over the amount requested and $24,656,000 over the amount of available for 1986.

Defining the nature of aging processes and obtaining an understanding of the mechanisms of age-related diseases and disorders are crucial scientific challenges faced by our Nation. By the year 2025, less than 40 years from now, approximately 20 percent of the U.S. population will be over age 65. The group over 85 is growing at almost three times the rate of all other persons over age 65 and will more than double in the next 15 years. This demographic shift will require careful analysis of current health policies as well as profound changes in our system of health care provision and in our methods of educating and training medical personnel. Of particular concern are maintenance of health and independent functioning, and prevention or amelioration of diseases and disorders which

result in long-term institutionalization, high medical costs, and an inordinate burden of stress on older people and their families.

Research programs of highest priority to the NIA include understanding aging through molecular genetics and longitudinal studies; Alzheimer disease and related dementias; and osteoporosis and falls as the major causes of hip fractures in older persons. Training and career development for research and academic leadership is also a major necessity. Each of these areas has the potential to enhance significantly the health and effective functioning of older individuals, and thus reduce health care costs.

Molecular genetics overlaps many areas of research and provides new opportunities to answer questions which previously were unanswerable. Longitudinal studies, in particular with individuals aged 85 years and older, provide essential and previously unavailable information on changes over time. Alzheimer disease creates devastating psychological, social, and financial burdens. Hip fractures, resulting from osteoporosis and falls, cost the Nation at least $7 billion yearly. Training enough researchers and academicians in the fields of geriatrics and gerontology is essential to conduct important research and to assure adquately prepared professionals for care of the present and future older population.

*Alzheimer Disease.*—As is now widely recognized, Alzheimer Disease (AD) is the most devastating disease of older persons. It currently affects between two and three million people, and is expected to double in the next 15 years. Alzheimer Disease creates a very heavy burden on families and currently costs an estimated $38 billion each year in direct costs, a figure that will continue to rise.

Very promising advances are being made in understanding the pathological changes and possible causes of AD. Genetics, immunologic changes, atypical infectious agents, and environmental factors may all play a role in the cause of Alzheimer disease. One group of NIA-supported researchers have preliminary evidence that Alzheimer disease may be a systemic metabolic disease, not simply a neurologic disorder. Several groups have identified and are now characterizing the abnormal proteins in the brains of Alzheimer patients. This may eventually lead to the development of simpler and more specific diagnostic tests for this condition.

In accordance with Congressional intent, five Alzheimer Disease Research Centers (ADRCs) were initiated in FY 1984, and an additional five were established in FY 1985. These centers are contributing significantly to our understanding of this disease. At one of the centers, it has been found that magnetic resonance imaging can detect very early signs of small strokes or multi-infarct dementia and distinguish them from Alzheimer disease. This may enable physicians to institute appropriate treatments, thus preventing further deterioration. Research at other centers is defining the genetic component of Alzheimer disease. New evidence of decreases in other brain hormones, in addition to the well-known declines in acetylcholine, gives some hope for possible treatments. More detailed understanding is being obtained of the relationships between losses of specific brain functions during life and the areas of the brain found to be damaged in subsequent autopsy analysis. The bill provides additional funds for the 10 Alzheimer Disease centers.

Last year, the Congress provided $2.5 million for support of an Alzheimer Disease Patient Registry. This registry will build upon existing clinical data sources, from ADRCs and other settings, and expand these to include information from epidemiological studies. The registry will serve as a resource for testing specific hypotheses concerning causes and for undertaking clinical trials of potentially valuable new treatments. Promising opportunities exist to obtain more clues about the causes and course of AD through comparative international, cross-cultural studies of populations where AD appears to occur with much less frequency than in the United States.

*Understanding Aging.*—Special opportunitites for deeper understanding of the aging processes derive from improved techniques in molecular genetics. For example, recombinant DNA technology, a powerful tool for exploration of gene structure and function, has yielded remarkable information about a large variety of genes. Investigators interested in the biology of aging are now employing this technique in the study of genes related to aging processes and to examine changes in gene structure and function with aging. Knowledge resulting from such research will someday permit the development of effective strategies for promoting maintenance of health and prevention of age-related diseases. It is important to build up the research capabilities in this field, both intramurally and extramurally, as rapidly as possible.

The intramural Laboratory of Molecular Genetics has begun to investigate the molecular basis for aging and for age-dependent diseases. In collaboration with other intramural laboratories, the molecular origins of the decline in immune function that occurs with aging is being examined; another project involves the study of genes that may be related to Alzheimer disease. The NIA Laboratory of Neurosciences is contributing important new insights in elucidating brain processes in healthy aging and in Alzheimer disease. A combination of sophisticated new techniques is being used to examine fundamental brain processes in three populations: healthy subjects of different ages; Alzheimer disease; and Down syndrome.

Intramural and extramural scientists have launched a major collaborative study to examine the relationship of age and physical activity to endocrine-metabolic and cardiovascular function in active older individuals as compared to a sedentary population. Information derived from this study should provide insight into the potential benefits of aerobic exercise conditioning programs for sedentary middle-aged and older people.

The NIA intramural program also supports numerous research activities which provide fundamental knowledge about aging and have the potential to impact directly on the cost of health care. The NIA's intramural Baltimore Longitudinal Study of Aging (BLSA), now in its 28th year, continues to be the major national resource for such knowledge. Currently the volunteer participants, ranging in age from 20 to over 90, are being examined for changes in bone density, body composition, plasma lipids, nutrient intake, and the control of blood sugar by insulin and other hormones. Priority goals at this time are to enlarge the number of women in the study and to involve extramural scientists cooperatively in the analysis of findings.

*Osteoporosis.*—This degenerative bone disease, which is directly related to fractures and loss of mobility in older people, affects more than 20 million individuals. At least 200,000 Americans suffer hip fracture each year, at a total estimated cost of $7.0 billion per year; 80 percent of these fractures occur in persons, predominantly women, aged 75 and older. Recent data indicate that bone loss in women may begin even before menopause, possibly as early as age 35. This may have important implications for the timing of strategies for prevention and treatment. New data suggest that women who discontinue estrogen use may lose bone mineral even more rapidly than women who have never used estrogens. This finding has important implications for the onset and duration of treatments. Recent studies have shown that vigorous exercise, including walking, can decrease the loss of bone in post-menopausal women. In emphasizing research on this problem, the Institute, in collaboration with the National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS), is developing a new initiative entitled, "Programs of Excellence of Research on Osteoporosis," which could support several comprehensive research programs at academic medical centers on the causes, prevention, and treatment of osteoporosis.

*Research on Individuals Aged 85 and Above.*—The Congress provided funds last year to support additional research on the "oldest old"—those aged 85 and older. Members of this age group have very high rates of morbidity and disability and are heavy consumers of health care. Despite the fact that the Federal Government spends $50 billion in services and transfer payments to those over age 80, less is known about this age group than about any other. The NIA has now issued a program announcement describing its interest in studies of the oldest old. A major workshop on forecasting active life expectancy of the very old and publications in both scientific and lay literature have stimulated much scientific and public interest. One major barrier to research in this population is the paucity of reliable and valid data. Through interagency agreements with the Bureau of the Census and the National Center for Health Statistics (NCHS), the NIA has begun developing more adequate demographic and epidemiologic data for scientific research on the oldest old. Extension of the Institute's longitudinal studies, Established Populations for Epidemiological Studies of the Elderly, in four settings (one with a predominantly black population) will permit special attention to the health and disease characteristics of those aged 85 and older.

*Incontinence.*—Based on very successful results of a behavioral and biofeedback approach to the control of urinary and fecal incontinence in older women living in the community, NIA investigators, with partial support from the Health Care Financing Administration and the Division of Nursing Research, are extending clinical trials of this and other approaches to patients in nursing homes, where the care of the many incontinent patients is estimated to cost at least $2-3 billion per year.

*Research Training.*—In 1984, the Report of the Health and Human Services (HHS) Task Force on Geriatrics and Gerontology documented the need for many more research investigators and educators in the fields of geriatrics and gerontology. Among other

recommendations, the plan calls for a doubling to tripling of the yearly numbers of postdoctoral fellows and trainees, intramurally and extramurally, in order to reach minimally adequate numbers of investigators and faculty members in the Nation's medical and other health professional schools by the year 2000. The Committee notes that, in response to this need, the NIA is intensifying its efforts to train investigators and educators in aging research. In addition to its support of traditional extramural training and career development mechanisms, the NIA has designed new mechanisms to meet the specific objectives outlined above, including the Geriatric Leadership Academic Award, the Complementary Training Award for Research on Aging, and the Co-Funded Institutional National Research Service Award. The latter two approaches take advantage of existing research training programs supported by the various Institutes of NIH, where additional trainees committed to careers in aging research can be accommodated to learn the research skills of a variety of special fields relevant to aging and geriatrics.

The Committee has provided sufficient funding to maintain 10 Alzheimer's Centers of excellence at full and equal funding and to maintain the geriatric research training effort at the '86 enacted level.

In addition, the Committee has also provided sufficient funds to NIA to be used for the conduct of research, education and training related to the medical and non-medical long term care needs of aged persons with chronic illnesses and their families, with particular emphasis on the oldest old, on persons with Alzheimer's disease and other dementias and on racial and ethnic minorities. These funds are provided for research and clinical trials on alternative medical, social, and behavioral interventions that improve patient outcomes (including family support) and on interdisciplinary techniques of assessment, prevention, patient management, and quality assurance; and for the adequate preparation and training of health professionals, families and other caregivers to address more effectively the chronic disabilities of older people.

Research and training initiatives should be closely coordinated with other projects under the NIA, the National Institute of Mental Health, the Administration on Aging, the Health Care Financing Administration, and other agencies within the Department. The NIA may enter into joint research agreements with such agencies for the purpose of integrating research on alternative interventions with service delivery or financing research falling outside the purview of the NIA.

The Committee has learned that, in addition to hearing loss, there is increased incidence of serious voice and swallowing disorders among aging persons. The Committee is encouraged by the rapid advances in our basic knowledge of the immune and nervous systems and would like to know to what degree this information is presently finding application to the prevention and treatment of hearing, voice, and swallowing disorders among the elderly.

The Committee requests the institute to report on these three categories of otolaryngologic disorders, indicating the nature and scope of present research being done among NIH grantees and de-

scribing specific opportunities for research advances in these areas as well as the research manpower required for these studies.

### NATIONAL INSTITUTE OF ARTHRITIS, MUSCULOSKELETAL, AND SKIN DISEASES

The bill includes $140,225,000, an increase of $33,492,000 over the amount requested and $29,502,000 over the comparable amount available for 1986.

The National Institute of Arthritis, Musculoskeletal, and Skin Diseases (NIAMSD) supports research on several diseases that affect millions of Americans. The arthritic diseases are the nation's primary cripplers, afflicting over 36 million Americans. They cause increasing numbers of persons to leave work before normal retirement age, with a resultant loss of earnings estimated at $25 billion a year. Research on musculoskeletal diseases includes studies on osteoarthritis, the most common form of arthritis, affecting some 16 million Americans, and osteoporosis, which affects as many as 15 to 20 million Americans. Diseases of the skin exact a high toll in terms of disfigurement, discomfort, disability, and even death.

NIAMSD was established by law as a separate Institute at NIH in 1985. The new institute will provide visibility and focus for the important diseases within its mission. The NIAMSD will report in future hearings on progress in establishing this new component at the NIH.

*Arthritis.*—Research on rheumatoid arthritis is being pursued along a number of promising avenues. Rheumatoid arthritis is the major crippling disorder among rheumatic diseases. A growing body of evidence implicates microorganisms—bacteria, viruses, or mycoplasma—and the prevailing theory is that one or more of these organisms precipitate immune responses that induce arthritic signs and symptoms in genetically predisposed persons. Research studies are seeking to discern the role of infectious agents in early arthritis. Improved new treatments are now available to arthritis patients, including low doses of the drug methotrexate.

For the past few years, the Committee has heard testimony in strong support of the positive results of antibiotic treatment for rheumatoid arthritis. Testimony has been presented to the Committee which indicates that mycoplasms may be one of the infestious causes of rheumatoid disease. The Committee suggests that the NIH continue to monitor the research underway and give full consideration to support of a prospective controlled clinical trial of antibiotic therapy for rheumatoid arthritis.

Research has dispelled misconceptions about osteoarthritis. It is now known that osteoarthritis is not an inevitable consequence of aging nor is it necessarily a wear-and-tear disease. Recent research indicates that running does not appear to be an excessive risk factor for developing osteoarthritis.

Substantial strides are being made in the development of new technologies to improve the performance of arthroscopic surgery. The Committee was pleased to learn of the Institute's interest in these technologies and encourages it to pursue them to every extent possible.

*Osteoporosis.*—This disease continues to take a large toll on the American people: 15 to 20 million Americans are affected; 1.3 million fractures are attributable to osteoporosis each year; osteoporosis is the underlying cause of 70 percent of all bone fractures in the elderly; and the economic impact is enormous—$4 billion per year. Understanding of the disease has greatly increased with the determination that estrogen deficiency is a predominant cause of bone loss. Other promising avenues of research include studies of optimal calcium intake, the optimal mode or degree of physical exercise, the role of sodium fluoride in preventing and treating osteoporosis, and basic research on bone metabolism.

*Centers.*—The NIH has produced a report on Specialized Centers of Research (SCORs) which describes their research potential. Support also continues for Multipurpose Arthritis Centers (MACs), which hold promise for continued research excellence and important multidisciplinary research advances.

The Committee concurs with the assessment of the NIH that the establishment of Specialized Centers of Research in arthritis and musculoskeletal diseases would make an important contribution to the national research effort on these diseases. Specialized Centers of Research allow for concentrated, coordinated basic and clinical research, and have proven to be very effective mechanisms for the rapid translation of advances in basic science into clinical application and improved health care. The Committee, therefore, has provided sufficient funds for the establishment of nine SCORS in three high-priority areas: rheumatoid arthritis, osteoarthritis and osteoporosis. These diseases are among the most debilitating of the more than 100 types of arthritis and related disorders, and primarily afflict individuals over 50 years of age, the fastest growing segment of our population.

*Joint Replacements.*—Several models of knee replacements have been developed and recent improvements have been made in the technology of joint replacements—in design, manufacture, and implementation. Joint replacements are often an effective treatment to relieve pain and improve joint function. Success rates have been reported as high as 90 percent 10 years after implantation and are expected to improve even more.

*Systemic Lupus Erythematosus.*—The prognosis for patients with systemic lupus erythematosus (SLE) is significantly better, with a tremendous improvement in survivability in the last few decades. Progress is anticipated in developing sensitive tests to identify and monitor disease activity, and in developing innovative therapy by manipulating the immune system. The Institute has encouraged new educational strategies and has served as a catalyst for bringing information about lupus to high risk populations.

*Osteogenesis Imperfecta.*—This condition affects an estimated 30,000 people in the U.S. and is the most common heritable disorder of connective tissue. Progress continues to be made in this area, and four specific genetic defects in the helical chains that comprise collagen have been documented. These findings may facilitate development of methods to repair or replace defective collagen genes.

*Low Back Pain.*—The Institute plans to encourage research in the area of low back pain which affects the majority of adults in

the U.S., is the most common cause of limitation of activity in young adults, and has an economic impact of $10 billion per year. The complex anatomic supporting structures and neurologic pathways make research on this disorder difficult; thus, the etiology remains unknown and optimal treatment is uncertain. The Institute plans to bring together multidisciplinary research teams with expertise in bones, nerves, discs, and muscles to develop research plans for studying low back pain.

*Exercise Physiology.*—The Institute is developing research on characterizing responses of muscles, tendons, and ligaments to various forms of exercise and physical training. It is anticipated that these basic studies will contribute to the knowledge base necessary for improved rehabilitation and more effective exercise training programs.

*Skin Diseases.*—Epidermolysis bullosa (EB) is a tragic, painful, disfiguring, disabling genetic disorder that causes blistering of skin and other epithelial surfaces in children. New techniques are providing information on the basement membrane zone where the pathology in EB is located. New diagnostic methods are being developed, and the clinical usefulness of the drug phenytoin in reducing blistering is particularly encouraging. Augmenting these efforts will be a new Institute-initiated registry of well-characterized EB patients. The Institute is preparing to award the contract for the registry and anticipates that it will increase information on the genetics of EB, help to determine incidence and prevalence statistics of EB, provide longitudinal data on selected subsets of patients to determine the natural history and therapeutic interventions, and enhance physicians' awareness of EB.

Contact dermatitis is the most common of the immunologic diseases affecting the skin and the largest single cause of industrial and occupational disease. The cellular and immunologic bases for these allergic phenomenon are better understood as a result of research advances in this area, and the application of those findings is expected to have an impact on reducing the occurrence of this disease.

The Institute also reported research progress on two other skin diseases: pemphigus vulgaris and vitiligo. Pemphigus vulgaris is a terrible blistering disease that previously carried a high mortality. Recently, researchers established that afflicted individuals produce antibodies against their own skin components and these antibodies cause pemphigus blisters to form. Treatment with immunosuppressive drugs has made this disease more manageable and has indeed been life-saving. Vitiligo causes stark white patches to form on skin. The disease process has been poorly understood, but is thought now to also be an autoimmune phenomenon. Researchers are investigating the effectiveness of blocking the disease process by altering the patient's immune system.

The Subcommittee has received testimony which emphasizes that there are significant new scientific opportunities for research in a manner of skin diseases including epidermolysis bullosa, psoriasis, and inherited disorders such as ichthyosis.

The Subcommittee believes that the new Institute of Arthritis, Musculoskeletal and Skin Diseases should receive high priority attention in the discretionary allocation of resources in terms of

space and personnel during the next few years to assure that such research can be supported effectively.

*Intramural Research.*—Research advances have been reported which include the development of an animal model for rheumatoid arthritis which is a powerful tool for studying this serious, crippling disease; determination that lupus in inbred mice can be overcome by the introduction of a single protective gene; and the development of insights into the basic function and structure of muscle enabling scientists to apply them to muscular diseases and suggest possible therapeutic approaches.

*Clinical Trial on EB*

One of the research efforts planned by the Institute which could not be undertaken within the financial constraints of the budget request is a clinical trial on Epidermolysis Bullosa. The efficacy of dilantin for treatment of the skin lesions of epidermolysis bullosa (EB) would be tested in a randomized, double-blind, placebo-controlled, crossover study. Another part of this study would be a prospective longitudinal follow-up of patients with EB esophageal strictures who had been treated with bouginage or colonic transposition.

The Committee urges that a portion of the additional funds provided in the Bill be used to begin this trial.

RESEARCH RESOURCES

The bill includes $317,826,000, an increase of $83,634,000 over the amount requested, and $27,074,000 over the amount available for 1986.

Research resources and facilities are necessary to strengthen and enhance the Nation's capacity for research investigation of the causes, cure, and prevention of disease. The excellence of science today is dependent upon investigators having access to sophisticated instrumentation, well-equipped laboratories, information about new technologies, clinical research centers for the application of laboratory advances to human health care, large capacity computers for the analysis of data, and the availability of biological materials and models critically needed for the study of human disease. The Division of Research Resources through its five extramural programs is the primary component within the National Institutes of Health which provides support for these research resources which are used by biomedical researchers in their quest for new knowledge.

The Clinical Research Program supports general clinical research centers, located throughout the country, which are used by clinical investigators to enable them to learn more about normal and abnormal body function, and about the cause, progression, prevention, control, and cure of human diseases. These centers provide an optimal setting for controlled investigation by clinical scientists supported by the NIH and other organizations, and encourage increased collaboration among investigators in the basic and clinical sciences. They also encourage, develop, and maintain a national corps of expert clinical investigators, and provide for the transfer of basic scientific knowledge into methods for improved patient

care. The centers support important research activities relating to all the major NIH health research initiatives, including cancer, diabetes, arthritis, infectious diseases, nutrition, aging, and immunology, among others. These research units provide approximately 87 percent of the capacity for NIH supported patient-oriented research, including some of the major clinical trials supported by the NIH institutes.

The Biomedical Research Technology Program provides support for the development of major instrument facilities and the latest technological applications from the fields of physical sciences, mathematics, and engineering. Resources supported through this program are both regional and national in scope and provide a unique opportunity for researchers to gain access to specialized technologies often not available at their own institutions. In addition to developing new research technologies and methods, this program helps to alleviate instrumentation shortages and obsolescence in laboratories conducting federally supported biomedical research. Initiatives in nuclear magnetic resonance spectroscopy, intermediate voltage electron microscopy, and supercomputer access for biomedical researchers are continuing, as is support for other sophisticated systems for analysis of biomolecular and cellular structure and function, bioengineering, and for the development of artificial intelligence and its medical applications.

The Laboratory Animal Sciences and Primate Research Program supports resource activities which make use of laboratory animals and other biological models in order to make their use more efficient and more effective. The Program also supports diagnostic laboratories, research manpower development in laboratory animal sciences, special non-animal biomedical models, the improvement of laboratory animal facilities, and other activities which undergird NIH categorical programs. The three components of this Program are Regional Primate Research Centers, Laboratory Animal Sciences, and Biological Models and Materials Resource subprograms.

The primate research centers are the foci for research using nonhuman primates as subjects for the study of diseases affecting those species as well as diseases which affect man. The centers continue to make important contributions in research areas such as infectious diseases, neurosciences, toxicology, immunology, reproductive biology, nutritional and metabolic diseases, and environmental health sciences.

The New England and California Primate Centers have become recognized leaders in research on immunodeficiency diseases of nonhuman primates caused by retroviruses. In searching for the causes of immunodeficiency diseases that were occurring in the Center's animal colony, scientists at the New England Center discovered the first T-cell trophic HTLV III-like virus to be found in monkeys. The virus causes a fatal disease in rhesus monkeys that closely resembles human AIDS, except that its clinical course is much shorter. This model will be very useful for the study of antiviral and therapeutic agents as well as for developing and testing candidate vaccines for AIDS. The emphasis of work at the California Center has been preventing, treating, and eradicating simian acquired immunodeficiency syndrome where this disease has been a serious clinical problem. This Center has been successful in devel-

oping a vaccine that has been shown to fully protect monkeys against challenge with virulent virus.

The Division has prepared a report in its plans for addressing both the immediate and long range financial needs for repair and renovations of the primate centers. The report states that the Division will continue to address the immediate repair and renovation needs by providing support for roof repairs, improved sewage disposal systems, renovated ventilation and sanitation equipment, additional caging and cage washing equipment, and replacement of research equipment.

Institutional animal resource improvement projects are awarded by the Laboratory Animal Sciences Program to help institutions upgrade their animal facilities and develop centralized programs of animal care in support of their biomedical research programs. The major objective of these improvement awards is to enable institutions to comply with the Animal Welfare Act and the Department's policies on the care and treatment of laboratory animals. The Committee encourages the Division to provide a portion of the available increase for this Program.

The Committee has provided funds for the Biomedical Research Support Grant (BRSG) Program which had been proposed for elimination in 1987. The BRSG Program is used to advance and strengthen the medical and health-related research programs of academic and scientific institutions by providing flexible funds for pilot research, central resources, support for new investigators, and interim funding for investigators who were awaiting funding of their research grants. In 1986, BRSG awards were made to 575 institutions. The Shared Instrumentation Grant Program, a subprogram within the Biomedical Research Support Program, provides state-of-the-art research instruments to enable the research community to cope with rapid technological advances in instrumentation and the rapid rate of obsolescence of existing equipment. Through 1986, the Division has made approximately 550 shared instrumentation awards.

The Minority High School Student Research Apprentice Program continues to be successful in providing minority high school students with a meaningful experience in various aspects of health-related research in order to stimulate their interest in careers in science.

The Minority Biomedical Research Support (MBRS) Program increases the participation of ethnic minority students and faculty in the biomedical sciences and health professions, and strengthens the research and research training capabilities of minority institutions. The MBRS Thematic Grant, which supports research projects designed around specific research themes or disciplines, provides a transitional step toward regular NIH grant support for those institutions which have developed significantly under the MBRS Program. The Undergraduate College Program enriches the environment at small undergraduate schools through seminars, visits by scientists, and similar efforts, with the aim of increasing student awareness of science as a potential career option. These MBRS activities are helping to develop a cadre of minority scientists who will make significant contributions in the health sciences.

## JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCED STUDY IN THE HEALTH SCIENCES

The bill includes $11,443,000, an increase of $138,000 over the amount requested and $550,000 over the amount available for 1986.

The John E. Fogarty International Center for Advanced Study in the Health Sciences (FIC) was established in 1968 to provide a focus at the National Institutes of Health for international scientific research interaction. The FIC accomplishes its mission through four program areas: (1) the Advanced Studies Programs, which support NIH research efforts by developing strategies for international health activities that benefit the United States and bringing scholars and other scientists to the NIH to study special issues; (2) the International Research and Awards Programs, which facilitate the exchange of research experiences by providing opportunities for U.S. scientists to work abroad and for foreign scientists to foster research interests of U.S. laboratories; (3) the International Coordination and Liaison Programs, which serve as link for the NIH with international components of the Department of Health and Human Services, Department of State, Office of Science and Technology Policy, U.S. Agency for International Development, and other Federal agencies, foreign embassies, and multinational and foreign organizations; and (4) the Foreign Scientists Assistance Programs, which provide coordination, visa assistance, and administrative services to visiting scientists and guest researchers to the NIH.

*Advanced Studies Programs.*—Under these programs, the FIC has conducted several activities dealing with the eradication of infectious diseases. During 1985, the FIC initiated a meeting, in cooperation with the WHO, of Asian countries to stimulate and strengthen research, treatment and prevention through integration in primary health care services. Future activities include a meeting on yaws to determine the present epidemiological situation in the African region and to consider integrated control measures and the cost of implementing yaws treatment in children as part of the primary health care services in each country.

Another follow-up effort stems from the FIC-sponsored 1982 international symposium on poliomeyelitis. Dr. Albert Sabin, FIC senior expert consultant, is coordinating eradication activities for this infectious disease, particularly in the developing world. He is also collaborating with colleagues to evaluate the aerosol vaccine and other approaches to measles vaccination, a direct outcome of the FIC 1982 symposium on measles.

Also under the FIC's Advanced Studies Programs is the Scholars-in-Residence Program which invites a limited number of international scholars to come to the NIH for advanced study in a scientific environment that fosters the development of innovative approaches to research. Unencumbered by administrative responsibilities, scholars have a unique opportunity to study subjects of their own choosing and to freely interact with the entire NIH scientific community. A Fogarty Scholar-in-Residence from Scotland, a leading international authority on viruses and vaccines, has collaborated with scientists in the National Cancer Institute by coordinating an international group of researchers attempting to develop a vaccine for AIDS.

*International Research and Awards Programs.*—The FIC's International Research and Awards Programs support two types of awards; International Research Fellowships and Senior International Fellowships. International Research Fellows are junior scientists who are nominated by scientific committees in their own countries and then compete for these awards through a rigorous process of scientific merit and program review. The best are awarded fellowships to pursue postdoctoral research with senior research investigators at institutions throughout the United States. The Senior International Fellows are established U.S. investigators who conduct collaborative research in foreign laboratories. The experience abroad promotes new ideas or avenues of approach that can be utilized in their continuing research.

*International Coordination and Liaison Programs.*—The FIC continues to foster biomedical and health relationships with other countries through its International Coordination and Liaison Programs which provide the focal point for the NIH and the Institutes with the PHS, the DHHS, the Department of State, and other U.S. Government agencies. This program is responsible for NIH's collaborative biomedical research activities under 56 bilateral agreements with 31 countries and for managing the Public Health Service's Health Scientist Exchange Program. Twenty-five of the formal agreements have been made at the government-to-government level for broad cooperation in science and technology. The international biomedical research activity that this collaboration makes possible benefits U.S. public health by expanding the base of knowledge required for solution of domestic health problems and by stimulating other countries to undertake research of potential value to our own public health pursuits. Many of the research projects ultimately being supported take advantage of unique opportunities in terms of unusual disease prevalence, population mobility, genetic determinants, and environmental risk factors.

In its role as operational link between the NIH and other U.S. agencies and international organizations concerned with problems of world health, the FIC facilitates the NIH's other less formal collaborative relationships in biomedical research with over 70 countries. Among these countries, China and India are of priority interest to the United States Government for maintaining strong cooperation in science and technology. With both governments, the NIH has made major contributions of mutual benefit through the coordinating role of the Fogarty International Center.

With respect to India, the FIC has coordinated and facilitated NIH involvement in activities related to the Bhopal disaster, which remains a highly sensitive issue between India and the United States. Through the FIC's staff representative (and Embassy science attache), meetings between NIH officials and the Indian Council for Medical Research were arranged to discuss mutual research interests, to coordinate the visit of Indian scientists involved in methyl isocyanate studies, and to plan for a visit to India by the NIAID, NHLBI, and NIEHS officials.

*Foreign Scientists Assistance Programs.*—Under the program, the FIC continues to coordinate and serve the NIH Visiting Program. Visiting scientists, associates and fellows, as well as foreign guest researchers, come to the NIH to work in the intramural laborato-

ries of every institute. These foreign biomedical personnel provide scientific input, ideas, and effort, which enrich the NIH intramural program.

*Gorgas Memorial Institute.*—The bill includes $1,934,000, the amount of the budget request, an increase of $21,000 over the amount available for 1986. In addition to its four major program areas, the FIC is the budgetary channel for the core funding of the Gorgas Memorial Institute. This Institute, with its laboratory in Panama, has been in existence since 1928. It is one of the few research organizations with an emphasis on tropical medicine research, and its programs serve the interests of the United States, Panama and the region. In October 1985, under the FIC's role as WHO Collaborating Center for Research and Training in Biomedicine, the FIC sponsored, in cooperation with the Gorgas Memorial Laboratory, the Pan American Health Organization, and others, a workshop on training needs in entomology for vector-borne disease research and control. The FIC also sponsored two teams of experts on site visits to the laboratory in FY 1985, one in parasitology and the other in virology and epidemiology, to advise on future program directions.

## NATIONAL LIBRARY OF MEDICINE

The bill includes $61,588,000, an increase of $5,180,000 over the amount requested and $6,315,000 over the amount available for 1986.

Over the past 150 years, the National Library of Medicine has evolved from a small collection of medical books to the largest and most distinguished medical library and medical communications center in the world. A Joint Congressional Resolution has proclaimed 1986 as the "Sesquicentennial Year of the National Library of Medicine."

The revolution in information management effected by computer and communications technology has created enormous challenges. The National Library of Medicine is in the process of developing a formal long range plan. Planning panels composed of experts from around the Nation are developing recommendations and priorities in five broad areas that encompass current activities and provide a framework for considering the future. The areas are: building and organizing the Library's collection, locating and gaining access to medical and scientific literature; obtaining factual information from data bases; Medical Informatics; and assisting health professional education through information technology. The plan, being developed by the NLM Board of Regents, will be completed in 1986.

*Information Management Systems.*—In FY 1985, a study was undertaken by NLM staff to determine the feasibility of developing a Unified Medical Language System. The lack of such a system is a serious problem faced by health professionals in retrieving information. Based upon this study and the collaboration of the American Medical Association and other academic and private organizations, NLM is now proceeding with the development of such a system. This project is a long term one but it holds the promise of improving access to medical information, and thereby improving the level of health care in this country.

The Integrated Academic Information Management Systems (IAIMS) Program uses computer and communications technologies to create information systems that integrate operational and academic information in support of health research, education, patient care, and management. The IAIMS program consists of three phases—planning, development, and implementation. The NLM is supporting several prototypes in the planning and development phases. These should serve as models for other institutions if fully developed.

*Medical Informatics.*—Medical Informatics is a multidisciplinary field, involving the integration of computer and information sciences, medicine, engineering, and management science. This field provides the scientific and theoretical basis for practical applications of computers in medicine. One goal is to develop computerized systems with which users can consult interactively--much in the same way that physicians and scientists now consult with their colleagues—to improve medical care and medical decisionmaking and to enhance scientific discovery.

*Acquiring and Maintaining Biomedical Literature.*—NLM's primary mission is to acquire and provide access to the world's biomedical literature. In FY 1985 NLM added some 239,000 items to a collection which now consists of over 3.5 million items and for the first time acquired a limited number of software packages. In FY 1985, the Library cataloged over 17,000 books, journals and audiovisual programs and added indexing for over 300,000 journal articles to NLM's computerized database system, MEDLARS (Medical Literature Analysis and Retrieval System), making these records available for rapid search and retrieval. The NLM has kept its library open to serve the needs of health professionals.

The NLM completed in July, 1985, a Preservation Plan which notes that an estimated 8.8 percent or 113,000 volumes in the NLM collection are brittle and must be copied to another medium if the information they contain is to be preserved. In FY 1986, NLM has begun microfilming deteriorated materials. The remaining 91.2 percent of the volumes will require deacidification or other treatment to prevent further deterioration. The plan emphasizes investigating other preservation techniques such as the promotion of acid free paper, and the development of a national plan for the preservation of the country's literature.

*Biomedical Communications.*—The National Library of Medicine's biomedical communications system, MEDLARS, provides the latest research information to health professionals and researchers. There are 27 MEDLARS databases and datafiles of which MEDLINE is the largest and most frequently used. In FY 1985, three million searches were done by American and overseas health professionals. NLM took a number of steps to make its online system more accessible and easier to use. Hours of service were extended to around-the-clock, seven days a week in June, 1985. A new microcomputer interface to MEDLINE, designed to assist medical professional users without special computer training, has been developed and is now available through the National Technical Information Service.

The research programs at the Lister Hill National Center for Biomedical Communications continue to focus on the information

needs of the biomedical community and on matching those needs with the potential solutions in evolving communications and information technologies. Research at the Center includes: using optical disks to store a wide range of material for electronic document preservation; research in knowledge representation with computer-based systems; examining methodologies for electronically organizing machine-readable databases to increase the productivity of NLM's indexing and cataloging; and developing prototype computer-assisted instructional materials for medical education.

The Toxicology Information Program is assisting in identifying and providing data and information about chemical substances to which humans and the environment are exposed. An important aspect of this activity has been the development and testing of the microcomputer workstation that is to be used for retrieving and manipulating data and information needed in responding to emergencies involving hazardous chemicals.

Advances in genetic research and the development of advanced systems in molecular biology could greatly benefit our ability to understand, prevent, and treat many important diseases including cancer. Presently analyses of genetic materials are reported in the scientific literature and indexed by NLM for bibliographic reference purposes. However, the nature of the research data itself is so complex and lengthy that the ordinary journal publication format is not sufficient. NLM currently is collaborating with the National Institute of General Medical Sciences to develop improved information systems for biotechnology.

The Committee expresses its interest in the continuance of the 13-year-old BIOETHICSLINE, with the components of the Bioethics Information and Retrieval System as well as the National Reference Center for Bioethics Literature, which provide a unique national service.

The Committee has provided an increase of $5,180,000 above the President's request. These funds should be utilized to: cover the full cost of maintaining current NLM programs and services for the biomedical community; continue the implementation of the Library's preservation initiative at the funding level recommended in the plan presented to the committee; accelerate progress in the Unified Medical Language Program; and expand extramural programs, including Medical Informatics research and research training, and Medical Library Assistance awards.

### OFFICE OF THE DIRECTOR

The bill includes $246,651,000, an increase of $66,960,000 over the amount requested and $67,008,000 over the comparable amount available for 1986.

The appropriation for the Office of the Director funds those organizational components that together form the central policy and administrative body of the National Institutes of Health. The NIH Director and his principal associates provide the leadership and direction in policy development and administration for the intramural and extramural research conducted and funded by the individual bureaus, institutes, and divisions. The Office of the Director also serves as the locus for the coordination of scientific inquiry

across the Institutes, as in the case of AIDS and biotechnology, and for the development and management of NIH-wide initiatives such as nutrition, disease prevention, and biomedical instrumentation. Supporting these primary functions are a number of offices that form the administrative underpinnings in areas such as program planning and evaluation, scientific communications, contract and grant administration, and financial and personnel management.

The committee has included $20,000,000 in the appropriation which will be split equally between two programs initiated in FY 1985 to strengthen health-related research in educational institutions which offer degrees in the health sciences, but do not receive significant amounts of NIH support in other areas.

The Academic Research Enhancement Award (AREA) Program will receive $10,000,000 to be used to strengthen the research milieu of non-research-intensive, four-year colleges and universities that provide undergraduate training for a significant number of our Nation's research scientists. The AREA Program is coordinated by the NIH Office of the Director. Following scientific merit review and selection of projects for funding, the AREA funds are transferred to the individual Institutes for award and administration. AREA grants provide up to $50,000 for a period not to exceed 24 months. They enable qualified individual scientists within eligible institutions to carry out health-related feasibility studies, pilot studies and other small-scale research projects. Seventy-five AREA grants, totaling $5,000,000, were awarded in FY 1985.

In addition, $10,000,000 will fund the Research Centers in Minority Institutions (RCMI) Program. This program was developed in 1985 to establish research centers in those predominantly minority institutions that offer doctoral degrees in the health professions or the sciences related to health. The RCMI Program acknowledges the historicall role that minority educational institutions have traditionally played in training a large proportion of professionals who provide health care to the minority community. The purpose of the RCMI Program is to expand the national capability for research in the health sciences through grant support to predominantly minority institutions that offer the doctorate in the health professions and/or health-related sciences. The RCMI grants are intended to enhance the capacity of such institutions for the conduct of biomedical and/or behavioral research by strengthening and augmenting both their human and physical resources. The program is administered by the Division of Research Resources on behalf of the Office of the NIH Director. Seven RCMI grants which were awarded in FY 1985 will permit faculty expansion and enrichment, physical facility improvement, and other research-related activities including laboratory renovation and equipment.

As noted earlier in this report, the appropriation for the Office of the Director also includes $198,943,000 for NIH activities related to Acquired Immunodeficiency Syndrome, an increase of $55,953,000 over the budget request, and $64,271,000 over the amount available for 1986.

BUILDINGS AND FACILITIES

The bill includes $31,900,000 an increase of $23,900,000 over the amount requested and $17,643,000 over the amount available for 1986.

The Buildings and facilities appropriation includes funds for the initiation of a program for renovation of animal facilities on the NIH campus to meet the standards of the American Association for the Accreditation of Laboratory Animal Care. The NIH has set a goal of ensuring that all existing facilities are accreditable by October 1987. The committee supports this effort and has included $13,000,000 for this project. This will involve the consolidation of existing animal facilities within individual buildings, renovation of existing space, and new construction.

In addition this appropriation includes funds for the continuation of the modernization of the Clinical Center. This effort will be entering its ninth year of a projected 15-year schedule and continues to be of high priority to the NIH. $8,000,000 has been provided for this purpose.

The Committee has included $4,400,000 for the planning and design phase of the new Child Health/Neurosciences/Primate Building. These funds will supplement the $500,000 originally appropriated in FY 1985 for the design update of a NICHD building. The new Child Health/Neuroscience Primate Facility would consolidate most of the NICHD non-clinical programs and provide state-of-the-art facilities for housing primates and conducting neuroscience research. The original plans for the NICHD building included a major facility for primate research, so this revised and expanded plan would be consistent with that intent.

Funds have also been included in the appropriation for the replacement facility for the National Institute of Environmental Health Sciences. The amount of $1,500,000 will provide initial support for the design of facilities to replace currently leased research facilities at the Institute in North Carolina. These facilities were constructed between 1966 and 1971, and will complete their useful lifetime as research laboratories in the mid-1990's. Current leases expire by 1991. It is more cost-effective to construct and operate replacement facilities as additions to existing facilities (completed in 1982) than to extensively renovate the leased North Campus buildings.

The remainder of the funds provided, $5,000,000, will be utilized for the NIH's continuing program of repairs and improvements to existing buildings and facilities, as well as for those under design and construction. Program-related repairs and improvements are required to accommodate changes in the direction of research efforts. The repairs and improvements program applies to the physical plants at Bethesda, Poolesville, and Baltimore, Maryland; Research Triangle Park, North Carolina; Hamilton, Montana; Perrine, Florida; and other NIH field stations.

The committee continues its support of the multiyear laboratory renovation program. No additional funds are included in this appropriation, as the project will be continued this fiscal year with carryover funds from previous years.

## Alcohol, Drug Abuse and Mental Health Administration

### ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

The bill includes $893,434,000 for alcohol, drug abuse and mental health programs in Fiscal Year 1987. This is an increase of $111,484,000 over the President's budget request and an increase of $86,936,000 over the 1986 appropriation after sequestration as required by the Balanced Budget and Emergency Deficit Control Act of 1985. The Alcohol, Drug Abuse, and Mental Health Administration is comprised of three national institutes, the National Institute of Mental Health (NIMH), the National Institute on Drug Abuse (NIDA), and the National Institute on Alcohol Abuse and Alcoholism (NIAAA). It also includes the Office of the Administrator, which is responsible for overall agency management and administration of the block grant program.

The Committee recommendation includes funds for all agency programs except the research programs in NIDA and NIAAA, which have not been considered since authorizing legislation for these programs has not yet been enacted for FY 1987. The amounts recommended are displayed on the following table.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| Alcohol, Drug Abuse and Mental Health Block Grant | $490,000,000 | $468,930,000 | $490,000,000 | $490,000,000 |
| Mental health: | | | | |
| Community Support Program (CSP) | 12,500,000 | 11,962,000 | ..... | 15,000,000 |
| Research | 209,480,000 | 200,444,000 | 194,890,000 | 229,000,000 |
| Research training | 18,000,000 | 17,225,000 | 15,847,000 | 18,000,000 |
| Clinical training | 20,000,000 | 19,140,000 | ..... | 10,000,000 |
| Protection and advocacy | 10,000,000 | 9,570,000 | ..... | 10,300,000 |
| Direct operations | 33,266,000 | 31,836,000 | 31,749,000 | 33,266,000 |
| Acquired immune deficiency syndrome (AIDS) | 5,279,000 | 5,051,000 | 6,169,000 | 13,859,000 |
| Subtotal, mental health | 308,525,000 | 295,228,000 | 248,655,000 | 329,425,000 |
| Drug abuse: | | | | |
| Research (unauthorized) | (68,181,000) | (65,236,000) | (67,405,000) | Defer |
| Research training | 1,500,000 | 1,436,000 | 1,355,000 | 1,500,000 |
| Direct operations | 14,437,000 | 13,816,000 | 14,183,000 | 14,437,000 |
| Acquired immune deficiency syndrome (AIDS) | 7,425,000 | 7,107,000 | 7,564,000 | 31,324,000 |
| Subtotal, drug abuse | 23,362,000 | 22,359,000 | 23,102,000 | 47,261,000 |
| Alcoholism | | | | |
| Research (unauthorized) | (56,822,000) | (54,372,000) | (56,618,000) | Defer |
| Research training | 1,500,000 | 1,436,000 | 1,327,000 | 1,500,000 |
| Direct operations | 11,658,000 | 11,157,000 | 10,876,000 | 11,658,000 |
| Acquired immune deficiency syndrome (AIDS) | ..... | ..... | ..... | 2,370,000 |
| Subtotal Alcoholism | 13,158,000 | 12,593,000 | 12,203,000 | 15,528,000 |
| Buildings and facilities | 100,000 | 96,000 | 600,000 | 600,000 |
| Program management ADAMHA | 7,620,000 | 7,292,000 | 7,390,000 | 7,620,000 |
| Prevention initiative (sec. 301) | ..... | ..... | ..... | 3,000,000 |
| Total, alcohol, drug abuse and mental health | 842,765,000 | 806,498,000 | 781,950,000 | 893,434,000 |
| (Unauthorized) | (125,003,000) | (119,608,000) | (124,023,000) | Defer |

*Alcohol, drug abuse and mental health block grant*

The bill includes $490 million for the Alcohol, Drug Abuse and Mental Health Block Grant, the same amount as requested by the President. This is the same amount included in the enacted bill for FY 1986 but an increase of $21,070,000 over the post sequestration total of $468,930,000. These funds are allocated to the States to support a broad range of service related projects. Governors have considerable latitude in distributing resources among alcohol, drug abuse and mental health projects depending on the particular needs of their individual States. They also control, within limits specified in the law, which providers are funded and at what level. Current legislation, which authorizes this program through FY 1987, provides a formula for allocating funds among the States that requires a minimum funding at the FY 1985 level. While the committee is aware of proposed legislation to alter this minimum, it has taken no position on this issue and considers it a matter for the authorizing committees.

*National Institute of Mental Health*

*Community Support Program* (CSP).—The bill includes $15,000,000 for the Community Support Program. This is an increase of $3,038,000 over the amount available for this purpose in FY 1986. The President's budget proposed to eliminate the program.

The CSP program provides a mechanism for establishing distinct Statewide entities responsible for coordinating services to the chronically mentally ill. Grants are made to State departments of mental health or other public agencies to demonstrate more effective ways to coordinate services to chronic mental patients and other severely underserved clients. The program is operational in 47 States and territories. This program also is the principal avenue for providing funds to States to encourage the development of programs for the homeless mentally ill. Presently 6 states have supplements to their basic grant totalling $700,000 for this purpose. The Committee encourages an increasing commitment of funds for homeless programs with the additional monies provided in the 1987 bill. It is also the Committee's intention that a substantial portion of these new funds be directed at programs that will address the needs of mentally ill children, a problem whose extent is becoming increasingly apparent and alarming.

The Committee encourages NIMH to continue its commitment to sharing in the support, with the National Institute of Handicapped research, of the research and training centers program. The centers program is actively addressing the issues pertaining to the transition and integration of mentally ill persons into the community which is the primary goal of the community support program.

*Research.*—The Committee recommendation includes $229,000,000 for mental health research, an increase of $34,110,000 over the President's request and $28,556,000 over the 1986 post sequestration allowance. Research is carried out through extramural grants to individual investigators, through center grants and other forms of support to institutions concentrating on specific problems, and through an extensive intramural program located on the NIH

campus and at St. Elizabeths Hospital. The additional funds will permit a substantial increase in the number of new mental health research project grants as well as address the agency's other programmatic needs and priorities. This expansion is being supported in view of the advances made in recent years by mental health researchers who have developed this program into one of vital potential for addressing illnesses that afflict and handicap millions of Americans. The increase will allow the intramural research programs at least the level of support available in the 1986 appropriation and will assure that all extramural projects are funded at levels recommended by the Institute's Advisory Council, less normal administrative adjustments. The funds provided should allow for full payment of indirect costs.

The Institute has focused much of its research program in recent years on the basic neurosciences and the basic behavioral sciences. Research on the distribution of chemical substances that affect brain function and increasing knowledge of the circuitry of various brain regions have changed basic conceptions about the organization and function of the brain. For example, there appear to be more substances affecting nerve cell function than had been previously thought. The discovery of the process of co-transmission has greatly increased interest in the interaction of various brain substances. The recent discovery of the coexistence of other chemicals with classical neurotransmitters has led to increased interest in the interaction of these compounds in neurotransmission and the possible etiologic involvement of these compounds in the development of mental disorders such as schizophrenia. Advancements in molecular techniques have led to the ability to study changes in nerve cells and increase the focus on post receptor mechanisms—the biochemical and biophysical events stimulated or blocked when neurotransmitters or drugs bind to receptors. In addition, basic behavioral research has explored the memory and cognitive processes; the development of emotions; the emergence of psychopathology in family systems; the processes and mechanisms for coping with psychosocial stress; and the methodology related to longitudinal studies and family interaction.

The Committee notes with particular interest, the increased efforts in the area of schizophrenia and notes the increasing evidence that schizophrenia may be multiple disorders rather than a single disease. Recent research on those symptoms of schizophrenia such as blunted emotion, lack of initiative and interest, and slowed or decreased intellectual function may yield particularly important information if treatment advances are to be made with this disorder. These "negative" or "core" symptoms are the more chronic features of the disorders and also the most inhibiting in terms of a productive return to social functioning and work. The Committee also notes the increased attention to a total treatment approach to an individual with schizophrenia and the inclusion of the family in this treatment. The increased attention to the family as an agent for therapeutic change and the attention to the family's need for help in dealing with this severe and frequently chronic disorder warrants continued research.

In the area of depression and manic depressive illness, the Committee notes with pleasure the advances in treatment of these dis-

orders, including the development of effective psychotherapy treatments over the recent years. The Committee notes, however, that there is a continuing need for better recognition and diagnosis of these disorders and a need for education about the range of effective treatments available. The Committee is supportive of NIMH's activities in this regard and encourages attempts to involve primary care physicians in this effort.

The Committee also encourages the Institute in its efforts to unravel the tragedy of Alzheimer's disease. The Committee supports the collaborative efforts of NIMH and other Institutes to develop better animal models of this disorder to improve our understanding of the etiology of the disorder and to permit effective screening of large numbers of drugs of possible utility in the treatment of the disorder. The Committee also encourages increased attention to the existence of depression, sleep disorders, and psychosis in the elderly and notes the importance of being able to differentiate these disorders from Alzheimer's disease.

In the area of disorders of childhood and adolescence, the Committee encourages increased research across the range of disorders that affect children and adolescents. The Committee takes special note of NIMH's role in the Secretarial Task Force on Adolescent Suicide and encourages further research on this most devastating problem.

The Committee recognizes the critical role of the clinical research centers program in fostering interdisciplinary research to combat and treat severe and chronic mental illnesses. The Committee believes that research results from these centers have been significant in improving our understanding of major disorders, such as depression, schizophrenia, autism, and senile dementia and views the centers program as an integral part of the overall mental health research effort.

The Committee is pleased by the efforts of this National Institute to expand its programs related to geriatrics, including Alzheimer's. It believes that the clinical research center program has been instrumental in this effort and encourages, within resources available, that this center program be expanded. The Committee believes that the funding level provided will allow for substantial expansion of the broad range of geriatric activities carried out by NIMH.

The Committee wishes to underline its support for the Research Career Development Awards program. At a time when research grant awards have been extremely competitive, it can be very difficult for a young investigator to obtain funds to commence his or her research. The RCDA program is an important source of funds for new investigators, and should be expanded to the extent available funds permit.

The Committee recognizes the growing psychological and emotional problems suffered by rural residents who are increasingly affected by the farm crisis. Recent studies indicate that these problems will extend beyond the current acute crisis and have long term affects upon families, particularly children and adolescents. Research also indicates that such problems can and do affect all types of rural families, not just farm families. The Committee urges the Secretary to consider utilizing a portion of the increased

funding recommended for the purpose of undertaking, together with interested States, a pilot program of mental health support and services to rural residents and communities suffering the emotional effects of the farm crisis.

*Research training.*—The Committee recommends $18,000,000 for mental health research training. This is $2,153,000 over the President's request and an increase of $775,000 over the amount available in FY 1986. These additional funds will support 816 trainees, the same level supported in 1986.

*Clinical training.*—The bill includes $10,000,000 for mental health clinical training. This is a decrease of $9,140,000 from the amount available in FY 1986 but an increase of $10,000,000 over the President's budget which proposed to eliminate this program. Funds are used to make grants to States and educational institutions to train individuals and to establish training programs in priority areas.

The Administration has for more than five years proposed the elimination of the mental health clinical training program on the grounds that it has met its initial programmatic goals. The arguments in support of this position are consistent and compelling. Thirty years ago there were fewer than 5,000 psychiatrists in the United States, the profession of clinical psychology was in its infancy, and there were no graduate programs in psychiatric nursing. Today there are over 31,000 psychiatrists, more than 30,000 graduates in psychology and mental health social work, and 7,000 graduate psychiatric nurses. It is clear that this program has made a significant contribution to the establishment of a mental health services system. Because of this expansion, the Congress has agreed to reduce the clinical training budget by about 70% since 1979. During this same period of retrenchment in federal support, graduate enrollment increased from 77,000 trainees to almost 81,000 trainees. The Committee believes, therefore, that, in light of the demand for funding of other mental health programs, especially research, a further reduction is justified. The $10 million included in the bill is sufficient to maintain the highest priority activities including State Manpower Development, public psychiatry, and the minority programs. Within these areas, priority should be given to training systems which produce professionals to serve children and the aged. Also included are funds to maintain the recent joint training project with the Rehabilitation Services Administration.

*Protection and advocacy system for the mentally ill.*—The Committee has provided $10,300,000 for the new program of protection and advocacy for the mentally ill, consistent with the recently enacted Protection and Advocacy for Mentally Ill Individuals Act of 1986. This bill establishes a system to protect mentally ill persons in residential facilities from abuse and neglect. The President's budget did not request funds for this activity. The amount in the bill is $730,000 more than the amount available in FY 1986. $300,000 of the amount recommended is to be used to provide technical assistance to the States in developing their program in the protection of patients rights.

*Direct operations.*—The bill includes $33,266,000 for administrative and support costs of the National Institute of Mental Health. This is $1,517,000 more than requested in the budget and an in-

crease of $1,430,000 over the amount available in FY 1986. This activity supports the staff responsible for the planning, development and administration of the grant and contract programs included in the general mental health activities. Also included are the resources requested for overall direction and management of the Institute. The funds added by the Committee will assure the maintenance of current position levels including those associated with programs eliminated in the President's request but restored by the Committee.

*Acquired Immune Deficiency Syndrome—AIDS.*—The bill includes $13,859,000 for research at NIMH related to the prevention and treatment of AIDS. This is an increase of $7,690,000 over the President's request and an increase of $8,808,000 over the amount available for this purpose in FY 1986. This recommendation is discussed in more detail at the end of this section of the report.

*National Institute on Drug Abuse*

*Research.*—The bill defers consideration of the basic drug abuse research program due to a lack of authorizing legislation. As currently constituted, the research program is conducted through extramural grants and contracts and the intramural research program at the Addiction Research Center in Baltimore, Maryland. The Committee has, however, approved funding of $31,324,000 for research activities related to Acquired Immune Deficiency Syndrome which can be done under the authority of section 301 of the Public Health Service Act. This exception has been made based on the emergency nature of the AIDS problem and the need for rapid expansion of research in this area.

As the use of illicit drugs continues in the United States, it is becoming increasingly clear that stronger efforts to reduce the consumer demand for drugs are necessary. Accurate up-to-date information about the adverse health consequences of drug abuse must be produced in an understandable format and disseminated widely for use by educators, health care professionals and the general public, particularly children and youth.

Within the Department, the National Institute on Drug Abuse is the lead agency for the development of effective drug prevention strategies. However, other agencies are also actively involved, including the Centers for Disease Control, the Drug Enforcement Administration and the Department of Education. The Committee believes better coordination among these various agencies is needed, and encourages NIDA to work closely with these other agencies in the development of drug prevention and education programs for widespread public dissemination. A report describing efforts to better coordinate drug abuse prevention activities among these agencies should be submitted to the Committee prior to next year's budget hearings.

*Research training.*—The Committee recommends $1,500,000 for drug abuse research training. This is $145,000 over the President's request and an increase of $64,000 above the amount available in FY 1986. The additional funds will allow for the same level of trainees as supported in 1986.

*Direct operations.*—The bill includes $14,437,000 for administrative and support costs of the National Institute on Drug Abuse.

This is an increase of $254,000 over the amount requested in the President's budget and an increase of $621,000 above the amount available in FY 1986. These funds support staff responsible for the overall planning, coordination and evaluation activities of the Institute as well as technical assistance to local groups in establishing and operating drug abuse prevention programs. The funds will also support maintenance of current position levels.

*National Institute on Alcohol Abuse and Alcoholism*

*Research.*—The 1986 bill defers consideration of the basic alcoholism research program due to lack of authorizing legislation. The NIAAA program supports studies on the etiology of alcohol abuse and alcoholism and on the prevention and treatment of alcohol problems. In addition to support through extramural grant and contract mechanisms, intramural research is conducted on the NIH campus and at the preclinical laboratories located in Rockville, Maryland. The Committee has, however, approved funding of $2,370,000 for research related to Acquired Immune Deficiency Syndrome which can be supported under section 301 of the Public Health Service Act. This exception is being made based on the emergency nature of the AIDS problem.

*Research training.*—The Committee recommends $1,500,000 for alcoholism research training. This is $173,000 over the President's request and $64,000 above the amount available in FY 1986. The additional funds will allow for the same level of trainees as supported in 1986.

*Direct operations.*—The bill includes $11,658,000 for the direct operating cost of the National Institute on Alcohol Abuse and Alcoholism. This is $782,000 more than the amount requested and an increase of $501,000 above the amount available in FY 1986. The funds support staff responsible for the planning, coordination and management of the Institute as well as program contracts, including the National Clearinghouse for Alcohol Information. Current position levels will be maintained with the funds provided.

*Buildings and facilities.*—The bill includes $600,000 for repairs and improvements to ADAMHA intramural research facilities, the same amount as the President's request and an increase of $504,000 above the amount available in FY 1986. Of this amount, $200,000 is available for projects in any of the agency's extensive intramural facilities which need routine or emergency repairs during 1986. The remaining $400,000 is for the NIAAA's intramural program at the Flow Laboratories to provide vital repairs to animal facilities and to accommodate genetic research.

*General program management.*—The bill includes $7,620,000 for program management activities of the Alcohol, Drug Abuse and Mental Health Administration. This is $230,000 more than requested in the President's budget and an increase of $328,000 over the amount available in FY 1986. This activity supports staff responsible for the overall direction and management of ADAMHA, including administrative management, program planning and evaluation, program coordination and public affairs.

*Prevention initiative.*—The Committee has provided an additional $3 million and 5 full time positions for Agency direct prevention programs including research dissemination, policy analysis, techni-

cal assistance, public education and specialized liaison with practitioners, medical educators, consumers, interest groups and related parties. These activities are carried out through inter- and intra-agency collaborations with Federal and State officials, national associations, and voluntary organizations; contracts; cooperative agreements; and various other mechanisms to foster and disseminate information leading to the prevention of alcohol, drug and mental illness problems.

The prevention program must be a very high priority for this agency. With the advent of the block grant, ADAMHA's previous role of encouraging the development of prevention programs through direct support has changed to one of encouraging other groups within the public and private sectors to use their own financial resources for developing prevention efforts. Parent groups, student groups, and other consumer organizations are critical participants addressing these major public health problems. With the increased emphasis now on prevention research, this agency is in a position to provide the needed impetus and scientific support to these and other groups for the development of strong prevention programs which would address national problems.

*Reimbursement related research.*—The Committee is aware and supportive of the efforts within the Office of the Administrator to establish a capacity within ADAMHA to research, analyze, and comment on the effects of Federal health care reimbursement policies upon the adequacy and availability of alcohol, drug abuse and mental illness treatment. This capacity has been extremely important in the ongoing consideration of how to structure reimbursement for treatment under Medicare's prospective payment system. The Committee recognizes the need to continue application of such research to Medicare and other financing mechanisms as integral to the mission of ADAMHA and expects this activity to be maintained.

*Minority Programs.*—The Committee is aware of ongoing efforts within the National Institute of Mental Health to review minority research and research training efforts and to ensure that the Minority Fellowship Program, Minority Access to Research Careers, Minority Biomedical Research Program and the Minority Research and Development Centers are closely integrated with one another, and with other ADAMHA research and research training programs. The Committee urges ADAMHA to continue to examine ways to strengthen minority research and training activities and expects that these programs will be accorded a high priority for enhanced funding in FY 1987. The Committee is also interested in the possibility of establishing within ADAMHA a program similar to the Research Centers in Minority Institutions program established in 1985 by the National Institutes of Health. The Committee requests that a report be submitted by March 1, 1987 concerning the feasibility of developing such a program.

*Acquired Immune Deficiency Syndrome (AIDS).*—The Committee recommends a total of $47,553,000 for AIDS research at the three ADAMHA institutes, which is $35,395,000 more than the amount available in fiscal year 1986 and $33,820,000 more than the budget request. These amounts are identical to the amounts recently requested by the Public Health Service in response to its continuing

review of resources needed in this area. This request is currently being reviewed by the Secretary and the Office of Management and Budget.

Recent findings based upon the work of ADAMHA investigators and others underscore the importance of the efforts of the ADAMHA institutes in combatting AIDS. The Committee is aware of the recent significant advances made in AIDS research, particularly in the neuroscience area, and encourages continued enhancement of research efforts in all areas. Of special concern is the drug abuse population because the vast majority of female drug abusers acknowledge supporting their drug habit with prostitution at some time. This group becomes the most likely vector to spread AIDS to the general population as well as transmit the disease perinatally. Preliminary data that abused drugs including alcohol are immunosuppressants point to productive research directions in determining the exact role of these psychoactive agents as cofactors for AIDS.

With new leads now available on several fronts, the Committee believes that increased support for AIDS research is both essential and consistent with the high priority placed on AIDS. The Committee recommendation will provide $12,370,000 to fund new project grants in the areas of etiology, epidemiology and immunology. Funding will also provide for new and expanded research dissemination, prevention research and education initiatives, as well as the training of health care professionals. Included in this significant funding increases are 35 new full time permanent positions to support expanded intramural research efforts, provide technical assistance support for prevention and research dissemination activities, as well as assure effective utilization of all new moneys.

## St. Elizabeths Hospital

### OPERATING EXPENSES

The bill includes $36,353,000 for St. Elizabeths Hospital, the same amount requested in the President's Budget and a decrease of $5,386,000 from the payment for fiscal year 1986. This amount is consistent with the plan for the District of Columbia government to gradually assume financial responsibility for its residents at the facility, as embodied in the legislation authorizing transfer of the hospital to the District in fiscal year 1988. St. Elizabeths Hospital provides mental health treatment, care and rehabilitation to District of Columbia residents, Federal beneficiaries, and others in need of such care. The hospital operates a security treatment facility and a community mental health center in addition to housing a portion of the NIMH intramural research programs.

The total operating budget of the hospital during 1987 is estimated at $136,754,000. This level provides the current services level of support for all hospital programs and facilities. Total funding is expected to be derived as follows:

[In millions of dollars]

| | Fiscal year— | |
|---|---|---|
| | 1986 | 1987 |
| Federal payments: | | |
| Direct appropriation | $41.8 | $36.4 |
| Reimbursement for Federal beneficiaries | 1.6 | 1.5 |
| NIMH research contribution | 3.7 | 3.9 |
| Federal share of District Medicaid payments | 12.9 | 12.5 |
| Subtotal, Federal payments | 60.0 | 54.3 |
| District of Columbia payments: | | |
| District share of medicaid payments | 12.9 | 12.6 |
| Non-Medicaid reimbursement for D.C. residents | 52.5 | 64.2 |
| Subtotal, District of Columbia | 65.4 | 76.8 |
| Private insurance and self-pay | 1.2 | 1.2 |
| Medicare and miscellaneous receipts | 4.4 | 4.5 |
| Total, operating budget | 131.0 | 136.8 |
| Reduction in new spending authority | —1.8 | .... |
| Total, obligations | $129.2 | $136.8 |

## Office of the Assistant Secretary for Health

### PUBLIC HEALTH SERVICE MANAGEMENT

The bill includes $99,271,000, an increase of $2,583,000 over the budget request and an increase of $14,029,000 over the amount available for 1986. The bill also includes authority to expend $1,050,000 from the Medicare trust funds, the same as the budget request and the 1986 amount.

The Committee has deferred consideration of the Adolescent Family Life Program until action on the authorizing legislation has been completed.

The following table shows in detail the activities funded in this account and the recommendations made by the Committee for each:

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| PUBLIC HEALTH SERVICE MANAGEMENT | | | | |
| Health services research and technology assessment: | | | | |
| Research | $14,757,000 | $14,120,000 | $17,116,000 | $17,116,000 |
| Trust funds | (1,050,000) | (1,050,000) | (1,050,000) | (1,050,000) |
| Program support | 1,638,000 | 1,568,000 | 1,663,000 | 1,568,000 |
| Subtotal | 17,445,000 | 16,738,000 | 19,829,000 | 19,734,000 |
| Health statistics: | | | | |
| Program operations | 43,378,000 | 41,508,000 | 46,825,000 | 50,094,000 |
| Program support | 3,193,000 | 3,056,000 | 3,193,000 | 3,056,000 |
| Subtotal | 46,571,000 | 44,564,000 | 50,018,000 | 53,150,000 |

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH—Continued

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Committee bill |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| Adolescent family life (unauthorized) | (14,610,000) | (13,978,000) | (14,722,000) | Defer |
| Smoking and health | 3,352,000 | 3,201,000 | 3,471,000 | 3,471,000 |
| Health promotion | 2,900,000 | 2,771,000 | 2,973,000 | 3,541,000 |
| Physical fitness and sports | 1,363,000 | 1,304,000 | 1,361,000 | 1,361,000 |
| Health service management | 18,510,000 | 17,714,000 | 18,736,000 | 17,714,000 |
| AIDS coordinator | | | 1,350,000 | 1,350,000 |
| Total, PHS management | 89,091,000 | 85,242,000 | 96,688,000 | 99,271,000 |

The bill contains $19,734,000 for health services research and health care technology assessment, a reduction of $95,000 from the budget request. The 1986 amount was $16,738,000. This includes $1,050,000 to be expended from the Medicare trust funds to support analyses of Medicare reimbursement issues. The National Center for Health Services Research and Health Care Technology Assessment is the focal point within the Federal government for research on the health care delivery system. The mission of the Center is to undertake and support research, demonstrations, and evaluations on problems in the organization, delivery, and financing of health care services; to coordinate health services research within the Public Health Service; and to disseminate the findings of health services research to policy and decisionmakers in the public and private sectors. The Committee made a small reduction of $95,000 in program support to maintain it at the 1986 level. The increase over 1986 is primarily for carrying out the National Medical Expenditures Survey (NMES). The Committee expects that sufficient funds will be expended to fully fund NMES, including the review of institutionalized populations, at the projected level of $22,150,000, including $5,500,000 from the National Center.

For health statistics the bill includes $53,150,000, an increase of $3,132,000 above the amount in the budget request and $8,586,000 more than the amount available in 1986. The National Center for Health Statistics has responsibility for collection, maintenance, analysis, and dissemination of statistics on health, illness and disability of the U.S. population and their impact on the economy; as well as other vital statistics such as births, deaths, marriages and divorces. The Committee made a reduction of $137,000 from the budget request to hold the amount for program support to the 1986 level. The bill includes an increase of $2,269,000 over the budget request for the national vital statistics program to increase the Federal percentage share to 33 percent from its current approximately 25 percent and to complete the data needed to describe the medical cause of death. The Committee has also added $1,000,000 over the request to increase the sample size of the health interview survey to 54,000.

The Committee expects that sufficient funds will be expended to fully fund the National Health and Nutrition Examination Survey (NHANES) at the projected level of $9,704,000.

The bill includes $3,471,000 for the smoking and health activity, the full amount requested in the budget. The 1986 amount was $3,201,000. For health promotion, the Committee recommends $3,541,000, an increase of $568,000 over the budget request and an increase of $770,000 above the amount available for 1986. The Disease Prevention and Health Promotion activity is the central point within the Department for coordination of policies and programs in health promotion. The Committee notes that the Office of Disease Prevention and Health Promotion has taken the lead in educating the public about environmental and occupational factors in promoting health. In restoring funding to the FY 1985 level, the Committee strongly recommends that a portion of the additional funds provided be used specifically for the purpose of promoting a public awareness of environmental and occupational factors in heart disease.

For the President's Council on Physical Fitness and Sports the Committee recommends $1,361,000, the budget request, and an increase of $57,000 over the amount available for 1986. The purpose of the physical fitness and sports activity is to encourage the public to improve health through participation in physical fitness and sports activities.

For Public Health Service management, the bill includes $17,714,000, a reduction of $1,022,000 below the budget request and the same as the amount available for 1986. This activity provides support for the Assistant Secretary for Health to assure effective guidance, leadership, and direction of the Public Health Service programs. The funds will support about 300 full-time equivalent staff. The Committee believes that the amount provided is adequate to allow the Assistant Secretary to meet his essential responsibilities in 1987.

The Committee is pleased that the Department has taken steps to establish an Office of Minority Health within the Office of the Assistant Secretary for Health. This office will serve as the focal point to implement the recommendations in the "Report of the Secretary's Task Force on Black and Minority Health" and will monitor Departmental progress in achieving minority health objectives. The Committee believes that this office should have sufficient resources to carry out its important mission. The Committee intends that this office be funded at the amount indicated by Secretary Bowen in his March 5, 1986 testimony before the Committee.

The Office was established as a result of the recommendations of the Secretary's Task Force to investigate solutions to the serious health disparity between minority populations and non-minorities. Among the findings of the Task Force was the extraordinarily high incidence of diabetes among Hispanics, which was three times that of non-Hispanic whites. In the barrios, Hispanic women have an incidence of diabetes four times that of Hispanic women living in the suburbs.

Accordingly, the Committee strongly recommends that the Office of Minority Health target adequate funds in FY 1987 to reducing the incidence of diabetes in Hispanics by promoting culturally sensitive public health education and disease risk reduction activities, including the correlation between diabetes and the risk factors of diet and obesity. The Committee expects the OMH to work closely

with the NIDDK and the rest of the Public Health Service to develop and implement this health promotion and disease prevention activity. The Committee requests a report from the Office prior to the fiscal 1988 budget hearings, detailing its progress in this major area of concern.

*AIDS activities*

The bill also includes $1,350,000 for the Public Health Service AIDS coordinator, the amount requested in the President's budget. This includes $1,000,000 to significantly expand the national AIDS public information campaign and $350,000 and five full time equivalent staff for the coordinator and support personnel. The coordinator chairs the Public Health Service executive task force on AIDS and serves as the focal point for coordinating, reviewing and monitoring AIDS research plans and activities.

The Committee has not approved the Administration's request to consolidate all AIDS funding in one appropriation account under the Assistant Secretary for Health. The funds have instead been placed in the individual agencies' appropriation accounts, with funding for the National Institutes of Health consolidated in the Office of the Director. The Committee recommends a total for all AIDS activities in 1987 of $336,753,000, an increase of $133,271,000 over the Administration's current budget request and an increase of $112,478,000 over the total available for 1986. This is an increase of 50 percent over 1986. These figures exclude the Food and Drug Administration which is funded in the Agriculture Appropriations Bill. The Committee believes that this substantial increase in funds should allow the Public Health Service to continue to make progress against this dread disease. The following table shows AIDS funding by agency:

| | Fiscal year 1986 | | Fiscal year 1987 | |
|---|---|---|---|---|
| | Enacted | Post sequester | Budget request | Committee bill |
| Health Resources and Services Administration | | | | $1,900,000 |
| Centers for Disease Control | $64,925,000 | $62,133,000 | $45,409,000 | 87,007,000 |
| National Institutes of Health | 140,723,000 | 134,672,000 | 142,990,000 | 198,943,000 |
| National Institute of Mental Health | 5,279,000 | 5,051,000 | 6,169,000 | 13,859,000 |
| National Institute for Drug Abuse | 7,425,000 | 7,107,000 | 7,564,000 | 31,324,000 |
| National Institute of Alcohol and Alcohol Abuse | | | | 2,370,000 |
| Office of Assistant Secretary for Health | | | 1,350,000 | 1,350,000 |
| General Departmental Management | 16,000,000 | 15,312,000 | | |
| Total | 234,352,000 | 224,275,000 | 203,482,000 | 336,753,000 |

The amounts recommended for AIDS are discussed in the appropriate portions of the Report.

*Diabetes and minority health*

Diabetes is one of the six major contributors to the disparity in health status between minorities and non-minorities according to the Report of the Secretary's Task Force on Minority Health. The prevalence of diabetes is 33 percent higher in the Black population than in the White population. Perinatal mortality rates among diabetic Blacks is three times that of diabetic Whites.

Yet major improvements in care for those with diabetes have evolved in the past few years, particularly from NIH-supported research. The Task Force Report indicates the importance of these developments in diabetes care and the value of preventive care strategies, demonstrated in Memphis and Atlanta, in dealing with the impact of diabetes on minority populations.

The Committee urges the Public Health Service, through the NIH and CDC, to expand a number of current efforts in order to reduce the disparity in the impact of diabetes on minority populations. These efforts are recommended by the Task Force as measures to reduce the disparity. They include (1) expanding the availability of patient educational and informational programs and materials; (2) undertaking additional research on the prevalence of diabetes and its complications among minorities; (3) undertaking additional research related to risk factors in diabetes and minority populations and other research set forth in the Secretary's Task Force Report; and (4) developing and targetting preventive care programs on minority populations such as the CDC Diabetes Control Program.

The Committee also has included funds to continue and somewhat expand health professions training for the disadvantaged and the Minority Biomedical Research Program of NIH. These programs should focus on training efforts which encourage minorities to become involved in research and care related to diseases such as diabetes, which adversely impact in a disproportionate way on minorities.

*Historically black colleges and universities*

In previous years, the Committee has expressed concern about the low participation of historically black colleges and universities (HBCUs) in the research and development activities sponsored by the National Institutes of Health (NIH). In 1983, the Committee requested a report from NIH identifying the extent to which HBCUs are excluded from NIH resources. That report indicated that HBCUs received less than 1 percent of all appropriations made available to NIH.

It appears that little progress has been made since then. The FY 1985 performance report for the White House Initiative on Black Colleges and Universities shows that obligations made by the Public Health Service, including the NIH, to HBCUs were only 1.3% of total awards to institutions of higher education. Moreover, the fiscal year 1986 plan for the entire Public Health Service establishes a goal of only 1.1% for the black college and university share of total higher education obligations, a decrease from the previous year's level of participation.

The Committee believes that much more can be done to assist HBCUs in gaining a more equitable share of Public Health Service grants and contracts. Moreover, in view of the recent Task Force Report on Black and Minority Health, the Committee believes that special efforts must be made to enhance the contribution that historically black colleges and universities can make toward improving minority health status. The Task Force Report, a year long study of health status disparity between white and non-white Americans, identifies six areas which account for more than 60,000

deaths each year among minority Americans which would not have occurred had mortality rates for minorities been as low as for whites.

The Committee notes that the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) has developed, concurrent with a Minority Concerns Strategy, strategies to increase awards to HBCUs. The Committee believes all of the Public Health Service agencies should consider adopting the model established by ADAMHA. The Assistant Secretary for Health is requested to report back to the Committee by March 1, 1987 on the progress made in this regard.

#### RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits the bill provides an estimated $86,282,000, a decrease of $5,000,000 below the budget estimate and an increase of $5,476,000 above the amount estimated for 1986. This is an indefinite appropriation account. This activity provides for mandatory payments to Public Health Service commissioned officers who have retired for age, disability or specified period of service in accordance with provisions of law. Provision is also made for the cost of medical care provided in non-Public Health Service facilities to dependents of the Public Health Service Commissioned Corps. The Committee did not approve the budget request to transform this account from an indefinite to a definite appropriation, including a contingency reserve of $5,000,000. There seems to be no compelling reason for doing this.

### Health Care Financing Administration

#### GRANTS TO STATES FOR MEDICAID

The bill provides $25,880,359,000 for the mandatory Federal share of State Medicaid costs in fiscal year 1987. This amount includes $6,500,000,000 advance funded in the 1986 appropriation for the first quarter of 1987. In addition the bill provides an advance appropriation of $7,100,000,000 towards FY 1988 program costs. The amount recommended in the bill for FY 1987 exceeds by $1,172,237,000 the level requested by the President and is $1,982,359,000 over the comparable amounts appropriated last year. These funds are paid to the States under the matching provisions of Title XIX of the Social Security Act. Under these provisions the Federal government reimburses the States for an average of 55 percent of their expenditures in providing health insurance for eligible indigents. States have broad authority within the law to set eligibility, coverage and payment levels. The specific matching rate for each State varies from 50 to 78 percent depending on the relative per capita income in a State.

The President's budget assumes enactment of legislation which would reduce FY 1987 Medicaid costs by $1,172,237,000. The final conference agreement on the FY 1987 budget resolution does not assume reductions in this program nor have any bills been reported which would reduce costs below current law estimates. The Committee has therefore recommended that the "savings" assumed

in the President's request be restored. The amount provided is compatible with the most recent estimates of cost under current law.

The Committee has not approved the President's request to include language in the appropriations bill which would substantially alter the entitlements under Title XIX of the Social Security Act. This is a matter under the jurisdiction of the authorizing committees.

### PAYMENTS TO HEALTH CARE TRUST FUNDS

The bill includes $20,826,000,000 for the Payments to Health Care Trust Funds account. This is an increase of $1,972,000,000 above the level appropriated in fiscal year 1986 and $469,000,000 above the amount requested by the President. This entitlement account includes the general fund subsidy to the Medicare part B trust fund as well as other reimbursements to the trust fund for benefits and related administrative costs which have not been financed by normal payroll taxes or premium contributions. $20,285,000,000 of the amount recommended is for the part B subsidy which now supports 75 percent of this program. The latest CBO estimate indicates that expenditures under current law are likely to be approximately $469,000,000 above the levels assumed at the time the President's budget was submitted in February. The Committee bill has, therefore, provided the full amount which it now appears will be required for this mandatory payment.

Over the last several years there has been a rapid expansion in the number of Medicare beneficiaries who receive their care through health maintenance organizations (HMO's). This has been particularly true in States which have a large proportion of retired persons. The Committee is concerned by reports that some of these HMO's may be having serious problems with the timely payment of claims submitted for services not directly provided by the plan. The Committee directs that HCFA investigate this problem and report back its findings to the Committee by January 31, 1987. In addition, the Committee expects the Department to prepare and submit a more comprehensive report on the use of HMO's and "Competitive Medical Plans" (CMP's) by Medicare beneficiaries. This report should include information on current and expected enrollments, financial viability, marketing, enrollment and disenrollment policies, quality of care and consumer satisfaction. The Committee will expect this report prior to the FY 1988 hearings.

### PROGRAM MANAGEMENT

The bill includes $84,533,000 in general funds and $1,216,494,000 in trust funds for Federal administration of the Medicare and Medicaid program. This is $75,361,000 more than the comparable amount available for this purpose for fiscal year 1986 and $2,550,000 over the amount requested by the President. This appropriation will support 3,757 full-time-equivalent positions. In addition to these amounts, $78,000,000 is available in FY 1986 and $105,000,000 in FY 1987 from Section 9216 of the Consolidated Omnibus Budget Reconciliation Act of 1985 for these purposes. These additional amounts were not requested by the President.

*Research.*—The bill includes $28,000,000 for research and demonstrations. This is an increase of $9,500,000 over the amount requested for FY 1987 but a decrease of $1,332,000 below the comparable amount available in FY 1986. These funds support a variety of studies to improve information about the Medicare and Medicaid population and the health industry which provides services to these individuals. Included in the studies are various research projects which are mandated by law. The additional funds added by the Committee are for new research and demonstration projects related to the Medicare prospective payment system. This system represents the most fundamental change in the Medicare system since its enactment in 1966. The Committee believes it essential that the Health Care Financing Administration carefully monitor the implementation of this system. The Committee believes that studies are needed on the issues of quality-of-care and access-to-care for Medicare beneficiaries and on the performance of the Peer Review Organization (PRO) program in monitoring quality. The $9,500,000 increase over the President's request recommended by the Committee will provide the resources necessary to conduct these analyses.

The Committee is concerned that the study on out-of-pocket health care costs for Medicare beneficiaries has not been updated since 1984. The Committee believes this is important data and directs that HCFA update their study as soon as possible. The Committee will expect a report on the status of this effort prior to the hearings on the FY 1988 budget.

*Medicare contractors.*—The bill provides $1,102,000,000 to support Medicare claims processing contracts. This is an increase of $95,200,000 over the President's budget and an increase of $87,576,000 over the amount of funds expected to be obligated for this purpose for fiscal year 1986. The amount recommended for FY 1987 includes $105,000,000 appropriated by the 1985 Consolidated Omnibus Budget Reconciliation Act, Public Law 99–272.

While the Committee fully supports efforts to manage the contractor program in the most efficient manner, it does not believe that the FY 1987 budget estimate is realistic. The number of claims to be processed is expected to increase by 10 percent and wages of contractor staff are expected to increase by approximately four percent. In contrast the President's proposal calls for a $7,600,000 decrease in funding for this activity. The Committee has therefore added $95,200,000 to the request. $15,000,000 of this amount is included in the contingency reserve for this activity instead of $50,000,000 as requested in the budget.

During FY 1986 this program was reduced by $42,076,000 under the Gramm-Rudman-Hollings sequestration. This reduction has caused a significant disruption in the capacity of the contractors to pay claims in a timely manner. Prior to this year, claims were being paid in approximately 16 days. Because of the sequestration, this has increased to almost 30 days. The Committee is pleased that the new Administrator at HCFA seems to be moving aggressively to correct this problem. There is concern, however, that the Administration may still be considering a deliberate slow down in its payment cycle in order to increase interest income to the trust funds. The Committee specifically rejects this approach as unfair to both providers and beneficiaries. While the Committee is not mandating

a specific number of days for the payment of claims, which could create unintended problems, it sees no reason why the turnaround period should exceed the historical norms established in FY 1985 and earlier.

The Committee has not approved bill language requested in the President's budget which would have eliminated the right of the Railroad Retirement Board to choose its own claims processing contractor under the Medicare program. Section 1842(g) of the Social Security Act provides specifically for this independence. While progress has been made during the last year in lowering the cost of this contract, the Committee believes that more can still be done. The Committee therefore requests that the General Accounting Office review the current contract arrangement for processing Medicare claims for retirees under the Railroad Retirement Program and report back its findings by January 15, 1987. The Committee will expect to review this matter when it takes up the 1988 budget.

The Committee has also rejected bill language which would make other changes in the contract procedures for Medicare carriers and intermediaries. These changes should be handled administratively or, if changes are required in the basic laws, should be proposed to the authorizing committees.

The Committee has received testimony from a number of Members who have been approached by their constituents regarding problems with payments for home health services to Medicare beneficiaries. While the Committee recognizes that the review of this type of claim is especially difficult, it is concerned by reports of unnecessary delays and excessive denials. The Committee would encourage the new Administrator of the Health Care Financing Administration to review the performance of the contractors in examining and paying home health claims. He should be prepared to address this issue when he appears before the Committee on behalf of the FY 1988 budget.

*Nursing home inspections.*—The bill includes $53,475,000 for State inspection of nursing homes serving Medicare beneficiaries. This is $7,122,000 over the amount available in FY 1986 and the same amount requested in the budget. The purpose of this activity is to ensure that institutions and agencies providing care to Medicare patients meet acceptable standards of quality and safety. The sums provided here are in addition to funds for Medicaid reviews funded under the Grants to States account. $3,525,000 has been provided in this account for Federal administration of the inspection program, the same amount requested in the budget.

While the Committee has approved the amount requested, it is not satisfied that this program is as effective as it could be in insuring that all Medicare facilities are providing adequate levels of care. Recent studies have shown that an adequate quality assurance program must go beyond the current criteria. This is an area which the Committee believes the new Administrator may wish to review carefully and be prepared to discuss his views when he appears before the Committee on the FY 1988 request.

*End-stage renal disease networks.*—The bill contains authority to expend $3,850,000 to support the ESRD network program. This is $779,000 below the amount available for FY 1986 but $2,850,000

above the President's budget proposal. The purpose of the End-Stage Renal Disease (ESRD) network program is to promote high quality care and efficient utilization of resources in the delivery of kidney dialysis and transplantation services. Section 1881 of the Social Security Act authorizes the Secretary to establish and support Network organizations to accomplish this purpose. These networks are non-profit organizations which consist of voluntary members and are financed from the Medicare trust funds. The 1985 Reconciliation Act reauthorized this program and restructured its field structure by reducing the number of Networks from 32 to 14. The amount recommended is based on fully funding 14 Network organizations in FY 1987.

The Committee is aware that HCFA is in the process of revising its benefit payments under the End-Stage Renal Disease program. Concern has been expressed that the current changes may be based on outdated data which do not adequately reflect actual costs. The Committee expects HCFA to reconsider this matter in order to make sure that any changes do not reduce payments below levels which are necessary to guarantee access to these essential services. Should this review indicate that the accounting base does not adequately reflect current experience, the rate adjustments should be delayed until this information can be obtained.

*Federal administration.*—The bill includes $215,177,000 to support Federal administrative activities related to the Medicare and Medicaid programs. This is the same amount as the President's budget request and an increase of $9,357,000 over the amount available for FY 1986. The funds recommended by the Committee will support a staffing level of 3,757 full-time-equivalents for fiscal year 1987, a reduction of 124 FTE's from the number funded in FY 1986. The Committee has accepted this proposal based on the convincing testimony of the Acting Administrator that this would allow sufficient staff for program operations. This reduction will be accomplished through attrition.

During hearings on the FY 1987 budget request several witnesses testified regarding the complexity and cost of administering the prescription drug program under Medicaid. According to this testimony, drug claims, which account for only 8 percent of program dollars, account for more than 50 percent of all Medicaid paperwork. Given the need to reduce the portion of Medicaid's budget which is expended for administrative costs, the Committee believes that HCFA should aggressively address this problem. Prior to its hearing on the FY 1988 budget request, the Committee will expect to receive a report on the extent of the problem and on alternatives which might be tried in this area. These alternatives should include further expansion of electronic claims handling as well as drug vouchers if cost effective.

## Social Security Administration

The following table displays the amounts recommended by the Committee for programs administered by the Social Security Administration with appropriate comparisons. The Committee has deferred consideration of the budget requests for Refugee and Entrant Assistance and the Low Income Energy Assistance Programs.

The basic laws authorizing these activities have not yet been extended for fiscal year 1987. Appropriations for these programs will be considered as soon as possible after the enactment of new authorizing legislation.

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Recommendation |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| **SOCIAL SECURITY ADMINISTRATION** | | | | |
| Payments to Social Security trust funds | $497,008,000 | $497,008,000 | $500,555,000 | $500,555,000 |
| **SPECIAL BENEFITS FOR DISABLED COAL MINERS** | | | | |
| Benefit payments | 991,389,000 | 991,389,000 | 957,000,000 | 957,000,000 |
| Administration | 6,519,000 | 6,239,000 | 6,437,000 | 6,437,000 |
| Subtotal, black lung, program level | 997,908,000 | 997,628,000 | 963,437,000 | 963,437,000 |
| Less funds advanced in prior year | −270,000,000 | −270,000,000 | −270,000,000 | −270,000,000 |
| Indefinite such sums | 12,341,000 | 12,341,000 | ..... | ..... |
| Appropriation available in prior year | −11,730,000 | −11,730,000 | ..... | ..... |
| Total, black lung, current request | 728,519,000 | 728,239,000 | 693,437,000 | 693,437,000 |
| Subsequent year advance appropriation | 270,000,000 | 270,000,000 | 252,450,000 | 252,450,000 |
| **SUPPLEMENTAL SECURITY INCOME** | | | | |
| Federal benefit payments | 9,040,551,000 | 9,040,551,000 | 9,589,000,000 | 9,589,000,000 |
| Beneficiary services | 6,800,000 | 6,800,000 | 8,200,000 | 8,200,000 |
| Administration | 1,010,507,000 | 977,838,000 | 972,118,000 | 972,118,000 |
| Subtotal, supplemental security income, program | 10,057,858,000 | 10,025,189,000 | 10,569,318,000 | 10,569,318,000 |
| Less funds advanced in prior year | −2,345,769,000 | −2,345,769,000 | −2,339,250,000 | −2,339,250,000 |
| Indefinite such sums | 253,545,000 | 253,545,000 | ..... | ..... |
| Appropriation available in prior year | −409,194,000 | −409,194,000 | ..... | ..... |
| Total, SSI, current request | 7,556,440,000 | 7,523,771,000 | 8,230,068,000 | 8,230,068,000 |
| Subsequent year advance appropriation | 2,339,250,000 | 2,339,250,000 | 2,765,000,000 | 2,765,000,000 |
| **ASSISTANCE PAYMENTS** | | | | |
| Current law: | | | | |
| Maintenance assistance: | | | | |
| AFDC: | | | | |
| Benefit payments | 8,204,153,000 | 8,204,153,000 | 8,441,805,000 | 8,441,805,000 |
| Error rate sanctions | ..... | ..... | −777,200,000 | ..... |
| Child support enforcement collections | −386,000,000 | −386,000,000 | −417,000,000 | −417,000,000 |
| Subtotal, AFDC | 7,818,153,000 | 7,818,153,000 | 7,247,605,000 | 8,024,805,000 |

| | | | | |
|---|---|---|---|---|
| Adult categories | 13,368,000 | 13,368,000 | 13,368,000 | 13,368,000 |
| Emergency assistance | 80,500,000 | 80,500,000 | 81,900,000 | 81,900,000 |
| State and local administration and training | 998,084,000 | 998,084,000 | 1,054,584,000 | 1,054,584,000 |
| Administration and training-jurisdiction | 6,616,000 | 6,616,000 | 6,616,000 | 6,616,000 |
| Repatriation | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Subtotal maintenance assistance | 8,917,721,000 | 8,917,721,000 | 8,405,073,000 | 9,182,273,000 |
| Research and evaluation | 2,925,000 | 2,799,000 | 2,925,000 | 2,925,000 |
| Federal administration | 33,737,000 | 32,278,000 | 31,976,000 | 31,976,000 |
| Subtotal, current law | 8,954,383,000 | 8,952,798,000 | 8,439,974,000 | 9,217,174,000 |
| Legislative proposals: | | | | |
| Reform welfare administration | | | −15,000,000 | |
| Workfare benefits | | | −252,000,000 | |
| Workfare administration | | | 200,000,000 | |
| End parents' benefit/essential person limit | | | −101,000,000 | |
| Limit assist to minor mothers not living with parents | | | −20,000,000 | |
| 18 mo all RCA/RMA refugee program | | | −48,742,000 | |
| Subtotal, legislative proposals | | | −236,742,000 | |
| Total, net of legislative proposals | 8,954,383,000 | 8,952,798,000 | 8,203,232,000 | 9,217,174,000 |
| Less funds advanced in previous years | −2,095,000,000 | −2,095,000,000 | −2,193,754,000 | −2,193,754,000 |
| Indefinite such sums | 950,486,000 | 950,486,000 | | |
| Appropriation available in prior year | −908,910,000 | −908,910,000 | | |
| Total, assistance payments, current request | 6,900,959,000 | 6,899,374,000 | 6,009,478,000 | 7,023,420,000 |
| Subsequent year advance appropriation | 2,193,754,000 | 2,193,754,000 | 2,293,615,000 | 2,293,615,000 |
| **LOW INCOME HOME ENERGY ASSISTANCE (Unauthorized, not considered)** | | | | |
| Energy assistance block grant | (2,097,765,000) | (2,007,561,000) | (2,097,642,000) | Defer |
| Federal administration | (2,235,000) | (2,139,000) | (2,358,000) | Defer |
| Subtotal, energy assistance | (2,100,000,000) | (2,009,700,000) | (2,100,000,000) | Defer |
| **REFUGEE AND ENTRANT ASSISTANCE (Unauthorized, not considered)** | | | | |
| Cash and medical assistance | (235,440,000) | (225,316,000) | (195,409,000) | Defer |
| State administration | (35,316,000) | (33,797,000) | (35,369,000) | Defer |

| | Fiscal year 1986 | | Fiscal year 1987 estimates | Recommendation |
|---|---|---|---|---|
| | Enacted | Post sequestration | | |
| Social services | (71,700,000) | (68,617,000) | (46,803,000) | Defer |
| Voluntary agency program | (4,000,000) | (3,828,000) | (1,000,000) | Defer |
| Education assistance for children | (16,600,000) | (15,886,000) | | Defer |
| Preventive health | (8,400,000) | (8,039,000) | (10,355,000) | Defer |
| Targeted assistance | (50,000,000) | (47,850,000) | | Defer |
| Federal Administration | (6,305,000) | (6,030,000) | (6,083,000) | Defer |
| Legislative proposals | | | (78,979,000) | Defer |
| Total, refugee resettlement | (427,761,000) | (409,363,000) | (373,998,000) | Defer |
| Limitation on administrative expenses (trust funds) | (3,992,220,000) | (3,847,863,000) | (4,011,373,000) | (4,011,373,000) |
| Total, Social Security Administration: | | | | |
| Federal funds: | | | | |
| Current year | 15,682,926,000 | 15,648,392,000 | 15,433,538,000 | 16,447,480,000 |
| Subsequent year advance appropriations | 4,803,004,000 | 4,803,004,000 | 5,311,065,000 | 5,311,065,000 |
| Trust funds | (3,992,220,000) | (3,847,863,000) | (4,011,373,000) | (4,011,373,000) |

PAYMENTS TO THE SOCIAL SECURITY TRUST FUNDS

The bill includes $500,555,000 for mandatory payments necessary to compensate the Social Security System for cash benefits paid out for which no payroll tax was paid. This is the amount requested in the budget and an increase of $3,547,000 over the amount available in FY 1986. Beneficiaries of these payments are primarily persons whose occupations were not covered by Social Security in its early years. The amount also includes credits for non-cash benefits related to military service after 1957. Payments include $368,917,000 for military service credits, $69,394,000 for costs of special payments to certain uninsured persons, and $744,000 for reimbursements to the trust funds for administrative costs incurred in providing private pension plan information to individuals. Also included is $61,500,000 to reimburse the trust funds for the value of unnegotiated Social Security benefit checks, as required by the Social Security Amendments of 1983.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

The bill includes $963,437,000 for special benefits for disabled coal miners in FY 1987 including $270 million advance funded in FY 1986. This is the amount requested by the President which is $34,191,000 below the comparable amount appropriated in FY 1986. Of this amount $957,000,000 is for benefit payments and $6,437,000 is for administrative costs. This appropriation provides for cash benefits to miners who are disabled because of black lung disease, and to widows and children of miners.

The Social Security Administration was responsible for taking, processing, and paying claims for miners' benefits filed from December 30, 1969, through June 30, 1973. Since that time, it has continued to take claims, but forwards most of them to the Department of Labor for adjudication and payment. The Social Security Administration retains jurisdiction for some new claims from survivors of miners and will continue to pay benefits and maintain the beneficiary roll for the lifetime of all persons who filed during its jurisdiction. During fiscal year 1987 there are expected to be 273,000 miners, widows, and dependents who will be receiving monthly benefits which are paid by the Social Security Administration from this appropriation. The basic black lung benefit is 37½ percent of the amount paid to Federal employees in step 1 of grade GS–2.

As requested in the President's budget, the Committee has included an advance appropriation of $252,450,000 for the first quarter of fiscal year 1988 to insure continuation of benefit payments at the beginning of the subsequent fiscal year.

SUPPLEMENTAL SECURITY INCOME PROGRAM

The bill provides $10,569,318,000 for fiscal year 1987 for the Supplemental Security Income program including $2,339,250,000 advance funded in FY 1986. This is the same amount requested in the budget and $544,129,000 above the amount available in fiscal year 1986. These funds are used to pay Federal cash benefits to approximately 3.9 million aged, blind, and disabled persons with little or

no income. The maximum monthly Federal benefit payable in FY 1987 under present law is estimated to be $348 for an individual or $522 for a couple.

The Committee bill includes language, as requested in the budget, to make an advance appropriation of $2,765,000,000 for the first quarter of 1988. This will insure that benefit payments will be received without interruption through the first three months of the subsequent fiscal year.

### ASSISTANCE PAYMENTS PROGRAM

The bill provides $9,217,174,000 for the Assistance Payments Program for fiscal year 1987 including $2,193,754,000 approved for these activities last year as an advance appropriation. This is an increase of $1,013,942,000 over the amount requested by the President and an increase of $264,376,000 over the amount available in fiscal year 1986. The Assistance Payments Program provides Federal matching payments to States as a share of the cost of their basic welfare programs. 10,822,000 individuals representing 3,711,000 families are expected to be assisted during fiscal year 1987 through these programs—principally Aid to Families with Dependent Children together with a small adult and emergency assistance activity. States have broad latitude to design their own programs within Federal guidelines which are specified under various provisions of the Social Security Act. Included in the total recommended by the Committee is $1,062,200,000 for State and local administrative costs.

The Committee recommendation restores $1,013,942,000 of "savings" assumed by the President's budget which do not now seem likely to occur. This includes $777,200,000 for error rate sanctions which have recently been delayed for at least one fiscal year by Public Law 99-272 and $236.7 million as a result of changes in the basic welfare laws proposed by the President's budget but not accepted by either the House or Senate. This is an entitlement account and the Committee recommendation therefore provides funding based on current law.

The Committee did not approve the language changes proposed in the Budget with respect to these entitlements including changes in the eligibility of refugees for cash assistance and Medicaid payments. These proposals require changes in the Social Security Act which come under the jurisdiction of the authorizing committees.

The Committee has approved the President's request of $31,976,000 for Federal administration and $2,925,000 for welfare-related research. The amount recommended for research is an increase of $126,000 over the amount available in FY 1986. Under this activity, the Social Security Administration develops and finances experimental projects to explore new ways to prevent and reduce dependency, improve coordination and planning between private and public welfare agencies, and improve the administration and effectiveness of programs carried on or assisted under the Social Security Act. The amount recommended for administrative expenses related to the AFDC and other programs is a decrease of $302,000 below the amount available in FY 1986. This will support 585 full-time equivalent positions, a decrease of 50 from FY 1986.

The Committee bill also includes an advance appropriation for the first quarter of fiscal year 1988 of $2,293,615,000 as requested in the President's budget. This insures that benefit payments can be made without interruption through the first three months of the subsequent fiscal year.

## Social Security Trust Fund

### LIMITATION ON ADMINISTRATIVE EXPENSES

The bill includes authority to spend $4,011,373,000 from the Social Security Trust Funds for administrative expenses of the Social Security Administration. This is the same amount requested by the President and an increase of $163,510,000 over the limitation available in FY 1986. These funds support approximately 79,000 social security employees, computer support, resources for State disability agencies which make initial and continuing disability determinations, and other administrative costs. More than 40 million beneficiaries receive a Social Security or Supplementary Security Income check each month, and cash payments are expected to reach almost $220 billion during fiscal year 1987.

The President's budget proposes a substantial reduction in the number of full-time-equivalent (FTE) employees at the Social Security Administration. Specifically, the FY 1987 budget proposes a reduction of 2,899 FTE's. This is partially offset by a large increase in overtime and non-ceiling employment. The net change totals a reduction of 433 work years. The Committee is concerned by the large increase in the use of overtime reflected in this proposal. Overtime would increase from 2.3 percent to 4.5 percent of total employment. Several years ago Administration officials testified that overtime should not exceed three percent of employment. The Committee believes this limit remains valid and has therefore directed that 1,167 full-time-equivalent positions be added to the President's request. This does not add to the overall personnel resources of the Social Security Administration but establishes a level of 74,437 FTE's. The Committee expects the three percent limit on the use of overtime to be carefully monitored throughout the year and the Committee immediately notified if the ceiling is exceeded.

The Committee continues to monitor closely the issue of potential office closings. Social Security officials have again testified that no funds have been requested in the fiscal year 1987 budget to implement any large scale program of field office closings nor are there any plans to execute such a plan at this time. The Committee has, therefore, taken no specific action at this time on the issue of office closings. The Committee's primary concern with the field structure is service to the public. Should the Administration change its position on this issue, it should submit a formal plan to the Congress for its review before embarking on any significant change in the field structure.

The issues of staffing levels and field office closings continue to be of great concern to the Congress. Last year the Committee required the Commissioner of Social Security to submit quarterly reports on various measures of service to the public. This information

is being used to monitor the affect of staffing and other administrative changes on the public. SSA has cooperated with this request and the Committee has received two reports which form a baseline of data for FY 1986. A third report is due by September 15, 1986. While these reports have been very useful to the Committee, there has been substantial concern expressed regarding the objectivity of this self-evaluation. The Committee, therefore, requests that the Comptroller General take over the responsibility for the preparation of these reports in FY 1987. The Committee expects SSA to cooperate fully with the GAO and will expect reports on February 15th, June 15th and October 15th, 1987. This revised report should be expanded to include staffing levels for the Office of Central Records Operation, (including the Payment Service Centers), the Office of Disability Operations, the Regional Commissioners (with a breakdown for field offices), and the Office of Hearings and Appeals (with a breakdown for hearing offices). The February 15th report should include historical data on changes in staffing levels over the last five years both overall and within the various subdivisions of SSA.

The Committee has encouraged the Social Security Administration to upgrade its computer and telecommunication systems to better serve the information management needs of the agency and the public. The Committee has fully supported efforts on behalf of the Administration to modernize its computer system. In support of this system modernization effort, the bill includes $225,398,000. These funds will be used for continued software improvement, enhancement, and redesign, and for replacement of current telecommunications networks.

The Committee has learned that individuals suffering from Alzheimer's disease frequently encounter difficulties in obtaining disability benefits. While Federal statutes do not preclude benefit payments to these individuals, the Committee is concerned that the guidelines used in determining eligibility are not sufficiently defined when it comes to Alzheimer's disease and related disorders. This, in turn, has resulted in uneven application of what should be a consistent national policy. To help clarify the matter, the Committee directs that the Social Security Administration, working in cooperation with the National Institutes of Health, review and update the criteria used to determine eligibility on the basis of Alzheimer's disease and related disorders. The Committee expects a report on the status of these changes prior to next year's hearings.

### CHILD SUPPORT ENFORCEMENT

The bill provides $770,383,000 for the Child Support Enforcement program in FY 1987 including $170,750,000 advance funded in FY 1986. This is an increase of $211,027,000 above the amount appropriated in FY 1986 but the same amount requested by the President. The Child Support Enforcement program supports State programs to collect child support payments from absent parents. Its goal is to reduce welfare dependency thereby reducing Federal and State costs.

The Committee continues to be concerned about the cost of this program. According to the budget data submitted by the Depart-

ment the child support program continues to show a net loss in fiscal years 1986 and 1987. The Committee finds this unacceptable and believes that the authorizing committees and the Department should aggressively seek ways to limit costs under this entitlement. These are administrative expenses which must be constrained. The Committee again expects the Department to present information to the Committee as part of the 1988 budget on its plan to make this program more cost effective for the Federal Government.

The bill includes an advance appropriation of $187,000,000 for the first quarter of fiscal year 1988. This is the same as the Administration's request.

## Office of Human Development Services

### SOCIAL SERVICES BLOCK GRANT

The bill includes $2,700,000,000, the same as the budget request and the full amount authorized for fiscal year 1987.

The social services block grant program is designed to encourage each State, as far as practicable to furnish a variety of social services best suited to the needs of individuals residing within the State. Beginning with fiscal year 1982 the social services block grant replaced grants to States for social services, child day care, and State and local training.

Social services block grant funds are distributed to the territories based on the same ratio allotted in 1981 to the total 1981 appropriation ($2.9 billion). The remainder is distributed to the States and the District of Columbia in proportion to the percentage of their population to the National population.

The Committee does not endorse the budget proposal to allow States to use social services block grant funds for activities currently supported by the community services block grant program. The Committee has not approved the bill language requested in the budget to allow payments to States on a monthly basis. Payment procedures are an administrative matter and should be handled as such.

### HUMAN DEVELOPMENT SERVICES

The bill includes $925,017,000, an increase of $48,998,000 over the budget request and $68,828,000 over the amount available for fiscal year 1986.

The Committee has deferred consideration of appropriations for Head Start, Dependent Care, and Native American programs because authorizing legislation for these programs was not enacted when the Committee reported the bill. The Committee notes that the program of Grants to States for planning and development of Dependent Care is authorized at $20,000,000 for fiscal years 1985 and 1986. The Committee will consider appropriations for this program and other expired programs as soon as possible after their reauthorization.

*Programs for children, youth and families*

The Committee recommends $25,898,000 for child abuse prevention and treatment the same amount appropriated for fiscal year

1986. The amount recommended includes $12,000,000 for State grants, of which $9,000,000 is to assist States in improving and expanding activities for the prevention and treatment of child abuse and neglect. These grants are made directly to eligible States according to a base amount plus an additional amount based on each State's population under the age of 18. Recent amendments in the authorizing legislation provide an earmark beginning in fiscal year 1985 for supporting State efforts to put into place programs for responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening-conditions. The amount recommended includes $3,000,000 for this purpose.

The amount recommended for child abuse prevention also includes $13,898,000 for discretionary activities which are designed to improve national, state, community and family activities for the prevention, identification, and treatment of child abuse and neglect through research, demonstration, service improvement, information dissemination and technical assistance.

The Committee recommends $5,000,000 for child abuse Challenge Grants for which no funds were included in the budget. This program was initially funded in 1985 through a supplemental appropriation enacted late in the fiscal year, which resulted in the funds not being obligated until fiscal year 1986. This program is designed to encourage States to establish special funds for child abuse prevention activities, providing 25 percent Federal matching funds for amounts States collect and place in trust funds or other funding mechanisms. The maximum grant to each State would be 50 cents times the number of children (as defined by State law) in that State. Federal Challenge Grants are used to help support a broad range of community programs, including activities in schools aimed at preventing sexual abuse, self-care courses for children, and parenting classes. In addition, such grants help fund statewide educational and public information programs and special training programs for teachers, child care workers, mental health workers, police, prosecutors, and judges.

For the Runaway and Homeless Youth program, the bill includes $23,250,000 the same as the budget request and the fiscal year 1986 appropriation. This program is intended to help address the needs of runaway and homeless youth and their families through support of activities sponsored by State and local governments and private non-profit agencies. Grants are used to develop and strengthen community-based facilities which are outside the law enforcement structure and the juvenile justice system. The Runaway and Homeless Youth Act mandates that funds for this program be allocated to each State on the basis of its youth population under 18 years of age in proportion to the national total. The amount recommended will provide support for approximately 275 runaway and homeless youth projects, the national toll-free runaway youth hotline, and various research and demonstration projects.

The bill includes $2,500,000 for family violence prevention and services, the same amount appropriated for 1986. An amount of $6,000,000 was appropriated in 1985 to start this program but the funds were not obligated until fiscal year 1986. The Committee will reexamine the needs for this program to assure that the annual

funding level is adequate during fiscal year 1987. This program is designed to demonstrate the effectiveness of assisting States in efforts to prevent family violence and to provide immediate shelter and related assistance for victims of family violence and their dependents, and to provide for technical assistance and training relating to family violence programs to State, local public agencies (including law enforcement agencies), nonprofit private organizations, and persons seeking such assistance.

*Programs for the aging*

For programs administered by the Administration on Aging, the Committee recommends a total of $732,700,000, an increase of $43,600,000 over the budget request and $61,299,000 over the amount available for 1986.

The Committee has included $275,000,000, an increase of $10,000,000 over the budget request for support services and centers. Funds for this program are awarded to each State with an approved State plan. The formula under title III of the Older Americans Act mandates that no State be allotted less than the total amount allotted to it in fiscal year 1984. The statute also requires that additional funds be distributed on the basis of each State's proportionate share of the total age 60 and over population, with no State receiving less than one-half of one percent of the funds awarded. The funds contained in the bill will support coordinated, comprehensive service delivery systems which consist of two parts. The first provides for planning and delivery of supportive and nutrition services for the elderly. The second consists of indirect services, including the use of local governmental mechanisms to develop and implement community policies or innovative approaches to employment such as flexible working hours, gradual retirement, and job-sharing.

For congregate nutrition services the Committee included $350,000,000, an increase of $14,000,000 over the budget request and $28,478,000 over the amount available for fiscal year 1986. For home delivered nutrition services the Committee provides $75,000,000, an increase of $7,100,000 over the budget request and $10,020,000 over the amount available for fiscal year 1986. Both programs are intended to address some of the difficulties confronting older individuals, namely: nutrition deficiencies due to inadequate income, lack of adequate facilities to prepare foods, and social isolation. The agency estimates that over 220 million meals will be provided either in congregate sites or through the home delivery program.

The bill provides $7,500,000 for grants to Indian tribes. The amount provided is the same as the budget request and the fiscal year 1986 appropriation. Funds under this program are awarded to tribal organizations to be used to promote opportunities for older Indians, to secure and maintain independence and self-sufficiency, and to provide transportation, nutrition, health screening and other services to help meet the needs of this population.

For research, training, and special projects under Title IV of the Older Americans Act, the Committee recommends $25,000,000, an increase of $12,500,000 over the budget request. The amount recommended is the same amount as appropriated for 1986. Funds under

this program are used to support education and training activities for personnel working in the field of aging and to continue research, development and demonstration projects.

The Committee expects the Administration on Aging to maintain the following activities under Title IV: rural demonstrations; the existing eleven long-term care gerontology centers; training and career preparation training; research; the four originally funded national minority aging organizations which provide special representation and outreach services for the minority elderly; and demonstrations to assist victims of Alzheimer's disease and other neurological disorders of the Alzheimer's type and their families in receiving supportive services. The Committee notes that, with the flexibility that was provided to the agency in expending Title IV funds in 1986, innovative efforts in helping families of patients with Alzheimer's Disease and in other areas has continued.

In recent years, the Committee has supported an expanded level of medical research devoted to finding the cause and cure of Alzheimer's disease, a neurological disorder which afflicts more than 2.5 million Americans. The Committee is pleased to note that promising leads are beginning to emerge as a result of that effort. However, the Committee is concerned about the needs of those now struggling to cope with the day-to-day ravages of the disease. Along these lines, the Congress adopted new provisions to the Older Americans Act in 1985 authorizing demonstration projects in this area. It is expected that the agency will coordinate these projects with the family stress management efforts of the National Institute of Mental Health, and with the National Institute on Aging. The Committee would expect a report on the progress of these efforts prior to the 1988 budget hearings.

The Committee is encouraged by the fact that a portion of the Administration on Aging's discretionary research funds have been expended on research projects to demonstrate options for improved collaboration between the Veterans Administration and community service providers on behalf of aging veterans and non-veterans alike. Collaborative arrangements include informal working and sharing agreements as well as formal, contractual arrangements. The Committee expects that at least this same level of support will be continued in 1987. The Committee also expects that the Veterans Administration will be adequately represented on national, state and local aging commissions and boards under the Older Americans Act to ensure ongoing, collaborative planning.

The Committee is concerned by the Administration on Aging's account of the decreased participation rate of minority and poor elderly in title III supportive service and nutrition programs. The agency is directed to provide the Committee with a report prior to the 1988 budget hearings on the participation rates of special populations (including racial and ethnic groups, the disabled, the hearing and visually impaired, women, and the impoverished) in these programs, the reasons for these decreasing rates, and what actions have and will be taken by the agency to ensure that special population groups are adequately served under title III.

*Developmental disabilities*

For programs authorized by the Developmental Disabilities Assistance Act of 1984, the Committee recommends $75,500,000 about the same amount available for fiscal year 1986, but an increase of $2,500,000 over the budget request. The total includes $50,250,000 for allotments to the States for planning, coordination, administration, and services for persons with developmental disabilities. These activities will allow States to continue programs which help developmentally disabled persons achieve a greater degree of independence, productivity and integration into the community. In addition, $13,750,000 will be available to the States to be used for operating an advocacy program to protect the rights of the developmentally disabled. The bill includes $2,500,000 over the budget request for continuation of special projects that provide States with technical assistance in developing new technology and applying innovative methods which support the basic mission of the program.

The Committee approves the budget request of $9,000,000 for grants to university affiliated facilities and satellite centers to support the cost of administering and operating demonstration facilities and interdisciplinary training programs.

*Program direction*

The Committee approves the budget request of $60,169,000 for program direction, an increase of $1,728,000 over the amount available for fiscal year 1986. The amount provided for administration of human development services programs would support 1,105 permanent full-time positions. The Committee is concerned that the number of positions requested by the Department may be inadequate to carry out program activities, which include Head Start, rural demonstration, gerontology centers and training, demonstrations to assist victims of Alzheimer's disease, family violence and elderly abuse programs, and training of direct care workers in residential facilities for the development disabled. The Committee intends to closely monitor the administration of human development programs during fiscal year 1987 to assure the adequacy of staffing.

FAMILY SOCIAL SERVICES

The bill includes $1,005,223,000, an increase of $187,386,000 over the budget request and $244,538,000 over the amount available for fiscal year 1986.

For child welfare services, the Committee recommends $225,000,000, an increase of $25,000,000 over the budget request and $26,901,000 over the amount available for fiscal year 1986. The increase provided is to help offset the inflationary costs which have occurred over the past several years. The purpose of this program is to assist public welfare agencies in establishing, extending and strengthening child welfare services in order to enable children to remain in their homes under the care of their parents, or, where that is not possible, to provide alternative permanent homes for them. Current law requires States to meet certain conditions in order to receive additional "incentive" funds. These conditions include: conducting an inventory of all children in foster care for at least six months; establishing an information and locator system

for all children in foster care; conducting periodic case reviews of all foster children; providing due process protections for families; and conducting in-home and permanent placement service programs for children and their families.

For child welfare training, the Committee recommends $3,823,000, the same as the budget request and the amount appropriated for fiscal year 1986. This program provides teaching and traineeship grants to schools of social work to train social workers in the speciality of child welfare.

For child welfare research and demonstration projects authorized by section 426 of the Social Security Act, the Committee has included $11,000,000, about the same amount available in fiscal year 1986 but $5,000,000 over the budget request. This program provides grants and contracts for projects in areas such as child welfare, child care, youth development and child and family development.

The bill includes $5,000,000 for adoption opportunities, the same amount appropriated for fiscal year 1986 but an increase of $3,600,000 over the budget request. The adoption opportunities program attempts to eliminate barriers to adoption and helps find permanent homes for children with special needs who would benefit from adoption.

The Committee is concerned that the present voluntary system for collecting data on adoption may be inadequate to properly ascertain how many children are adopted in this country. Further, this data does not provide the age, sex, race or handicap status of the adopted children or whether these children were placed for adoption by a private agency, public agency or independently. Legislation has been introduced calling for the collection of this data and the Committee intends to consider funding this requirement when it is enacted into law. In the meantime, the Department is urged to develop an estimate of the minimum amount required to fund this new data collection effort.

The Committee approves the budget request of $2,400,000 for social services research. These funds will support research, demonstration, evaluation, and dissemination activities designed to increase family self-sufficiency.

For the foster care program, the Committee recommends $698,096,000, an increase of $153,786,000 over the budget request. Foster care is currently an open-ended entitlement program, meaning that every foster child who meets the eligibility requirements is entitled to assistance. Federal funds are based on State claims under the program. An estimated 100,000 children per month will continue to be supported in foster homes or institutions in fiscal year 1987. The budget proposes bill language to modify this program and alter the distribution formula. The Committee has not approved the requested language and has acted on the basis of current law.

The amount provided for foster care includes the Independent Living Initiative which was added to the Title IV-E Foster Care Program by the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272). This initiative entitles States to $45 million for each of fiscal years 1987 and 1988 for a range of activities and services designed to assist youth in foster care make the transition to independent living. Currently adolescents comprise from 30 to 40

percent of the foster care caseloads in most States. In 1984, there were an estimated 50,000 foster care youth age 16 and over. Many of these teens leave foster care at 18 without families to return to and are expected to make it on their own.

To help ensure future self-sufficiency for this vulnerable group, additional support is needed to make certain that they are adequately prepared to leave care. Funds for the Independent Living Initiative may be used to help these teens complete their education and take part in job training, as well as participate in training in daily living skills, budgeting, locating and maintaining housing, and career planning. Individual and group counseling, peer support efforts and mentor programs will also help address their special emotional needs. Funds for such activities will be allotted to states on the basis of their share of the Title IV-E Foster Care caseload in 1984.

For adoption assistance, the Committee has included $59,904,000, an increase of $18,513,000 over fiscal year 1986 funding. Adoption assistance is an open-ended entitlement program. Federal financial participation in State expenditures is provided at the Medicaid match rate which varies among States from 50 percent to 78 percent. Payment rates for individual children also vary from State to State but may not exceed comparable foster family care rates. This program provides funds to States to assist in paying maintenance costs for children who are adopted under certain conditions. Funds are also used for the administrative costs of managing the program and training for staff. The goal of the program is to facilitate the placement of hard-to-place children in permanent adoptive homes and thus prevent long, inappropriate stays in foster care. During fiscal year 1987, this program will serve an estimated average of 27,500 children per month.

### WORK INCENTIVES

The bill includes $200,000,000, a reduction of $10,540,000 below the amount available for 1986. The President's budget proposed to eliminate this program. The Work Incentives (WIN) program, authorized by Title IV of the Social Security Act, provides training and employment services for Aid to Families with Dependent Children (AFDC) recipients. This is a State-administered program designed to assist welfare recipients to achieve self-support through training, work experience, employment, child care, and other services.

The Department of Labor has the major responsibility for determining employability and placement of participants. Individuals are registered in the program at employment service offices. The Department of Health and Human Services has responsibility for providing participants in training programs with supportive services including child care and homemaker services. The funds recommended in the bill will provide $193,000,000 for State grants and $7,000,000 for program direction and evaluation. This program has been substantially reduced over the past several years, but the Committee feels that it should not be eliminated.

## Departmental Management

### GENERAL DEPARTMENTAL MANAGEMENT

The bill includes $108,319,000, the amount requested in the budget, and a decrease of $10,140,000 below the comparable amount available for 1986. Also included is authority to spend $27,500,000 from the social security trust funds, an increase of $19,500,000 over authority granted in 1986. The Committee is concerned about the sharp increase in trust fund transfers and urges the Secretary to examine the propriety of work charged against the trust funds.

This appropriation supports activities associated with the Secretary's roles as policy officer and general departmental manager, as well as those that provide direct, specialized staff support services performed on centralized basis in the Office of the Secretary for the operating divisions of the department.

The amount recommended includes "built-in" increases for staff promotions, pay increases, space renovations and inflation. Increases are offset by decreases in the costs of administrative activities, reductions in staffing, and lower space requirements.

The Committee urges the convening of an interdepartmental working group to address the asbestos litigation problem. The Department of Health and Human Services should be a part of this group, working in conjunction with the Departments of Labor and Justice, to establish an equitable compensation program and develop alternatives to simply litigating all asbestos cases.

### OFFICE OF THE INSPECTOR GENERAL

The bill includes $30,016,000 an increase of $300,000 over the amount requested in the budget, and a decrease of $10,112,000 below the amount available in 1986. Also included is the authority to spend $40,000,000 from social security trust funds, an increase of $11,290,000 over the authority granted for fiscal year 1986. The increase over the budget is to restore 19 full-time-equivalent positions.

The Office of the Inspector General was created by law to provide leadership and coordination of the Department's efforts to promote efficiency and economy and to prevent fraud and abuse in its programs. The major functions of the Office include:

Conducting audits, investigations, inspections, and program reviews of programs and operations;

Coordinating efforts of the Department's operating divisions to detect and eliminate fraud, program abuse, and management inefficiencies;

Developing, maintaining and coordinating working relationships with other organizations at Federal, State and local levels; and

Coordinating efforts and working relationships with other Inspectors General through the President's Council on Integrity and Efficiency.

The amount recommended includes "built-in" increases for career promotions, pay increases, space renovation costs and inflation. The amount also includes program increases for contract audits and inspections. Program increases are more than offset by

reductions in space renovation and consolidation, non-recurring contracts, training and travel costs.

The Committee is concerned about the continuing increase in transfers from trust funds. With the requested increase for 1987, almost 60 percent of the Office would be financed from trust funds. The Committee will examine this matter further and will discuss the details of such transfers during the 1988 budget hearings. The Inspector General should have available all necessary records to support charges to the trust funds.

### OFFICE FOR CIVIL RIGHTS

The bill includes $15,285,000, the budget request and a decrease of $27,000 below the amount available in 1986. Also included is authority to spend $4,000,000 from the social security trust funds.

The role of this office is to assist recipients of grants or contracts in complying with civil rights laws. These activities are intended to provide recipients with the skills needed to apply the various civil rights statutes to particular circumstances.

The amount recommended includes built-in increases for career promotions, prior year pay increases, space renovations and inflation. Program increases are more than offset by reductions in staffing and lower grade hiring policies, and absorption of inflationary increases. The recommendation provides 383 full-time-equivalent positions, a reduction of 13 from 1986. The agency plans to achieve this reduction through attrition.

### POLICY RESEARCH

The bill includes $8,200,000, an increase of $3,200,000 over the budget request and an increase of $1,980,000 over the amount available for 1986.

The Policy Research account, authorized by section 1110 of the Social Security Act, is the Health and Human Services' principal source of policy-relevant data and research on the income sources of low-income populations, the impact, effectiveness, and distribution of benefits under existing and proposed programs, and other issues that cut across HHS agency lines. The program is intended to analyze issues that cannot be covered in other departmental research programs or under existing evaluation activity. The Committee is concerned that the program is not performing this function and instead is concentrating its efforts on existing program review in the 1987 budget request.

The Committee has recommended an increase of $2,200,000 in the policy research budget to continue Federal support for the work being performed at the Institute for Research on Poverty. The Committee notes that a committee of the National Academy of Sciences has characterized the Institute as "an exceptionally successful vehicle for the support of research by the Federal Government" and indicated that in the absence of core funding for the Institute, "the amount of high-quality poverty research would drop sharply." Furthermore, three Nobel prize laureates in economics have gone on record as has a variety of researchers from opposite sides of the political spectrum in support of continued Federal funding for the work of the Institute. Other, well-known econo-

mists have cited the importance of continuing Federal support for the Institute's work in view of recent Administration and Congressional interest in designing new programs to confront the persistently high level of poverty in the United States. The Institute should continue to produce work that will be of aid to policy discussions about poverty, intergovernmental efforts to eliminate poverty, long-term trends relating to the standard of living in the United States, income transfer programs, and other areas that are deemed appropriate.

The Committee has again included sufficient funds to continue development and operation of the Multi-Regional Policy Impact Simulation Model project. This project uses a simulation model capable of highly detailed analyses of the effects of a wide range of possible policy changes.

## TITLE III—DEPARTMENT OF EDUCATION

### COMPENSATORY EDUCATION FOR THE DISADVANTAGED

The bill includes $3,999,163,000 for chapter 1 of the Education Consolidation and Improvement Act, the largest amount appropriated for this program in its 20-year history. This amount is $469,591,000 over the amount currently available for 1986, and $311,000,000 over the amount requested in the budget for 1987.

*Local educational agencies*

Of the total amount provided for the chapter 1 program, $3,507,000,000 would be available for basic grants to local educational agencies. Basic grants support supplementary compensatory educational services designed to increase the educational attainment of educationally disadvantaged children to a level appropriate for children of their age. The program provides financial assistance to school districts according to the number of children from low-income families. Local school districts develop and implement their own programs to meet the needs of their students. About 14,000 local districts participate in the program serving approximately 5,000,000 students each year. Financial assistance flows to school districts by formula, based on a State's average per pupil expenditure for education and the number of school-aged children from low-income families. Within districts, local school officials target funds on schools with the greatest number of poor children. Appropriations for the basic grant program are made on an advance funded basis. The 1987 appropriation will become available July 1, 1987, and will remain available for obligation until September 30, 1988. School districts will use the funds for the 1987–88 school year.

The Committee is aware that the ruling by the Supreme Court in the case of *Aguilar* v. *Felton* July 1, 1985, has placed additional administrative requirements on many local educational agencies in their efforts to provide chapter 1 instructional services to students who attend nonpublic sectarian schools. The Court's decision prohibiting public school teachers from providing chapter 1 instruction on the premises of sectarian schools, has necessitated the development of alternative methods to deliver these services. The Commit-

tee also recognizes that the Congressional mandate of the Education Consolidation and Improvement Act of 1981 to provide equitable chapter 1 services to eligible public and nonpublic school students has not been affected by this decision. To assist local educational agencies in meeting the increased initial costs associated with the implementation of the new delivery systems that are necessary to comply with the *Felton* decision, the Committee encourages affected school districts to use additional funds provided to them in the 1987 appropriation to address this problem and ensure that eligible children at nonpublic sectarian schools are receiving equitable chapter 1 services as Congress intended.

*State agency programs*

Chapter 1 also includes grants to State agencies for the support of special educational services to children of migratory agricultural workers and fisherman, handicapped children in State-operated programs (or children who have left such programs and are served by local educational agencies), and neglected and delinquent children in State-supported or State-operated institutions. Funds for these programs are allocated to the States through a formula based on the number of eligible students residing within a State and the State's average per pupil expenditure for education. These programs, like basic grants, are advance funded.

For the State agency migrant program, the Committee recommends $264,524,000, the same amount included in the 1986 Appropriation Act, but an increase of $62,005,000 over the amount requested in the 1987 budget. The Migrant Student Record Transfer System has identified 387,943 full-time-equivalent students ages 5 to 17 as eligible to receive chapter 1 Migrant Education services during the regular school year. About 38 percent of the students counted are currently migratory (this is, they have moved from one school district to another within the past year) and the remainder are formerly migratory. The total number of currently and formerly migrant children counted has decreased since 1983 by about 9 percent. At the same, time, an increasing proportion of the migrant population has not moved in a year or more. The proportion of the migrant population counted as formerly migratory rose steadily from 54 percent of the total in 1983 to 62 percent in 1985.

For the State agency program for handicapped children, the Committee approves the budget request of $150,170,000 to maintain the same amount included in the 1986 Appropriation Act. This program provided funds to about 135 State agencies serving 249,656 children in school year 1984–85. The percent of a State's total handicapped population served through this program varies across the Nation, ranging from 54 percent in the District of Columbia, to 24.4 percent in Delaware, to less than one percent in California and Minnesota. Approximately 38 percent of the children served are mentally retarded, 17 percent are emotionally disturbed, 9 percent are hearing impaired, 9 percent are learning disabled, 8 percent are speech impaired, and 4 percent are visually handicapped. The remainder are classified under other handicapping categories.

For the State agency program for neglected and delinquent children, the Committee approves the budget request of $32,616,000, the same amount included in the 1986 Appropriation Act. This pro-

gram provided funds in the 1983–84 school year to approximately 125 agencies that are directly responsible for providing free public education to almost 48,000 neglected and delinquent children under 21 in 700 State-operated or State-supported institutions. Most of the students served in the program are young adult or juvenile offenders, not neglected children. About 10 percent of these students are in institutions operated for the care of neglected children, 50 percent are in institutions for delinquents, and 40 percent are in adult correctional facilities.

*State administration*

The bill includes $38,607,000 to help State educational agencies meet their administrative responsibilities under chapter 1. This amount is $3,000,000 over the budget request and the amount appropriated for 1986. State educational agencies will use these funds for allocating chapter 1 funds to local educational agencies, monitoring chapter 1 programs, and reviewing reports to ensure LEA compliance with legal requirements such as comparability, supplement not supplant, and maintenance of effort. They also use funds to supply technical assistance to local educational agencies for improving program quality, establishing parent involvement at the project level, providing comparable services to nonpublic school children, establishing performance objectives, and evaluating Chapter 1 programs. Finally, the States use administration funds to establish and maintain systems for the proper control and disbursement of chapter 1 funds and the audit of local chapter 1 programs.

*Evaluation and technical assistance*

The Committee approves the budget request of $6,246,000 for evaluation and technical assistance, an increase of $1,000,000 over the amount appropriated for 1986. About $2,300,000 of the amount included will support the initial phases of three major studies that will examine respectively, the State Agency Migrant, Handicapped, and Neglected and Delinquent programs. About $3,800,000 will support four regional technical assistance centers.

*Migrant education*

The Committee defers consideration on two items normally included in this account: the migrant education high school equivalency program and the college assistance migrant program because authorizing legislation for these items had not been enacted when the Committee reported the bill.

IMPACT AID

The bill includes $700,000,000 for the Impact Aid programs, an increase of $152,000,000 over the budget request. The amount recommended is $37,278,000 above the comparable 1986 level, excluding $20,000,000 contained in the Urgent Supplemental Appropriations Bill for 1986 (H.R. 4515).

To compensate school districts for the cost of educating children when enrollments and the availability of revenues from local sources have been adversely affected by Federal activities, Public Laws 81–874 and 81–815 provide funds for current operating ex-

penses and construction assistance. Payments under Section 3 of Public Law 81-874, which are made to school districts for the cost of educating children who reside and/or whose parents work on Federal property or are in the uniformed services, as well as children who reside on certain Indian lands or in federally subsidized, low-rent housing, constitute the major part of this program. These same districts also may be eligible for construction assistance because of their federally connected children. During the current school year, Section 3 payments are being made to about 2,700 school districts which have reported slightly more than 2,000,000 children eligible under 3(a) or 3(b).

*Maintenance and operations*

For maintenance and operations under Public Law 81-874, the Committee recommends $665,000,000, an increase of $28,595,000 over the 1986 level and $132,000,000 over the budget request. For section 3 payments, the Committee recommends $643,000,000. The recommended distribution of funds for section 3 is $513,000,000 for payments on behalf of 3(a) children, and $130,000,000 for section 3(b) payments; the Administration requested no funds for payments on behalf of 3(b) children.

The section 3(a) funds are to be allocated at 100 percent of maximum authorized payments for those school districts where section 3(a) students comprise 48 percent or more of the total average daily attendance, 95 percent of maximum authorized payments for those school districts where section 3(a) students comprise 35 to 47 percent of the total average daily attendance, 90 percent of maximum authorized payments for those school districts where section 3 students comprise 20 to 34 percent of the total average daily attendance, 75 percent of maximum authorized payments for those school districts where section 3(a) students comprise 15 to 19 percent of the total average daily attendance, and 60 percent of maximum authorized payments for those districts where section 3(a) students comprise 10 to 14 percent of the total average daily attendance. After these section 3(a) districts have been paid, the remaining section 3(a) funds are to be distributed on the basis of eligible students among those school districts where section 3(a) students comprise less than 10 percent of the total average daily attendance.

Section 3(b) payments are to be allocated at 60 percent of maximum payment for those school districts in which 3(b) students comprise 20 percent or more of the total average daily attendance. After these section 3(b) districts have been paid, the remaining 3(b) funds are to be distributed among the rest of the 3(b) districts on the basis of eligible students. This is the same procedure used during fiscal year 1986.

An amount of $22,000,000 is included for payments to school districts having a partial loss of tax base resulting from the removal of real property from tax rolls through Federal acquisition (section 2). This amount is an increase of $946,000 over the 1986 amount, and $2,000,000 more than the budget request. About 260 school districts are now receiving section 2 payments.

The bill includes $10,000,000 for section 7 disaster assistance. The amount recommended is $430,000 above the 1986 level excluding supplemental funds, and the same amount requested for 1987. Sec-

tion 7 of Public Law 81-874 authorizes assistance to local school districts affected by major disasters or pinpoint disasters. A school district must be located in a Presidentially declared disaster area in order to be eligible to apply for major disaster assistance funds. Funds provided in the form of grants enable school districts to make minor repairs, provide temporary facilities, pay increased operating expenses, and replace instructional materials and equipment.

*School construction*

For school construction authorized by P.L. 81-815, the Committee recommends $25,000,000, which is $8,253,000 above the 1986 level, and $20,000,000 over the budget request. The Committee's recommendation includes $10,000,000 for awards under section 10; $10,000,000 for awards under section 14(a) and 14(b); and $5,000,000 for awards under section 5 and 14(c).

Section 5 authorizes assistance for school construction in areas experiencing an increase in Federal activity either directly or through a contractor. Eligibility is determined by the increase in the number of children residing on Federal property and/or with a parent employed on Federal property.

Section 10 directs the Secretary to make arrangements for constructing or otherwise providing school facilities for children who reside on Federal property where legal or other reasons prevent the local educational agency from spending State or local funds on the education of federally connected children.

Sections 14(a) and 14(b) authorize grants to local educational agencies that are comprised mainly of Indian lands or which provide a free public education to children who reside on Indian lands. Section 14(c) authorizes construction assistance to school districts that are comprised mainly of Federal lands and which have a substantial number of inadequately housed pupils.

SPECIAL PROGRAMS

The bill includes $699,943,000, an increase of $32,331,000 over the 1986 amount, and an increase of $96,034,000 over the budget request. This appropriation account includes the elementary and secondary education block grant program authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981, and several other categorical programs related to elementary and secondary education. The budget request did not include funds for categorical programs other than the Magnet Schools Assistance program and the Administration's Proposed Teacher Training and Assistance program. The bill includes continued funding for all of the categorical programs as well as the elementary and secondary education block grant.

The Committee defers consideration of three items normally included in this account: the Follow Through program, and State grants and the Secretary's discretionary fund under the Administration's proposed Teacher Training and Improvement initiative. Authorizing legislation for the Follow Through program had not been enacted when the Committee reported the bill and funds were not requested in the budget; the program was funded at $7,177,000

in 1986. The Teacher Training and Improvement initiative was proposed in the 1987 budget request, with funding of $60,000,000 for State grants and $15,000,000 for the Secretary's discretionary fund; however, this proposal has not been enacted.

*State block grants*

For the State block grants for elementary and secondary education, the bill includes $533,909,000, an increase of $5,000,000 over the budget request, and an increase of $27,743,000 over the 1986 amount currently available.

The State block grants for elementary and secondary schools are authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981. Specific programs formerly authorized under the Elementary and Secondary Education Act have been repealed. Other education programs also repealed by chapter 2 include Teacher Corps and career education incentive grants. The Follow Through program was phased into the block grant over the 5-year period 1982–86 and repealed effective for 1987. State and local educational agencies are authorized to use the block grant funds for activities similar to those formerly authorized under the categorical programs.

Except for a 1 percent set-aside for territories and a maximum of 6 percent for the Secretary of Education's discretionary fund, these funds are allocated to States, but at least 80 percent must pass through to the local educational agencies by a formula that assumes that each local school district will receive funds. In the allocation of funds to local school districts, funds are distributed according to the relative enrollments in the public and non-public schools within each local school district and adjustments are made to provide higher per pupil allocations to those local districts that have the greatest numbers or percentages of those children whose education imposes higher-than-average costs per child. Examples of higher-than-average costs are children from low-income families, economically depressed urban and rural areas, and sparsely populated areas. Children in non-public elementary and secondary schools have the opportunity to participate in programs conducted by State and local educational agencies on the same basis as children in public schools.

The Committee is aware that the Department of Education did not provide a report on the definition of widely used descriptive terms in education such as "administrative costs," "technical assistance," "curriculum development," "evaluation," "monitoring," and "support services" as requested in the 1986 House Labor/HHS/Ed Appropriations report. A GAO report, released June 1986, indicated that two representative State agencies have difficulty reporting to auditors how or whether their agencies use these funds for these activities and that the use of the funds between States cannot be compared because of the lack of definitions. The problem creates a credibility gap between the Congress, which must exercise oversight over the use of Federal funds, and the State agencies. The GAO reports that on average, 42 percent of the entire operating budget of State education agencies is funded by Federal appropriations at a time when the Federal portion of local school district budgets has fallen to an average of 6.2 percent. The Committee is

concerned that a significant effort was not made with the large amount of discretionary funding that was provided to the Secretary of Education from the Education Block Grant authorization and subsequent appropriations in 1985 and 1986. At a time when Federal funds must achieve clear national objectives due to the limited amount of funding available, it is imperative that the first duty of the Department of Education be to manage the expenditures of the taxpayers' money in the national interest. This task is particularly urgent because the Education Block Grant must be reauthorized in the 100th Congress. Therefore, the Department of Education is directed to report to the Committee, prior to the 1988 budget hearings the manner by which they will be more accountable for the use of Federal funds in the Education Block Grant by defining the terms generally used to justify spending Federal funds in State agencies.

*Secretary's discretionary fund*

About 6 percent of the total Chapter 2 appropriations is used by the Secretary of Education for discretionary project grants and contracts to gather and disseminate information, carry out research and demonstrations, improve personnel development, or assist State and local educational agencies in the implementation of programs supported under the State block grants. The bill includes $33,909,000 for the Secretary's discretionary fund, an increase of $5,000,000 over budget request, and $6,243,000 over the 1986 amount currently available.

Under the basic law, the Secretary must satisfy the specific requirement to fund four programs at no less than the 1981 levels: the inexpensive book distribution program (Reading is Fundamental); arts in education; alcohol and drug abuse education; and the law-related education program. The Administration has proposed an amendment to the authorizing statute to eliminate mandatory set-asides for the Inexpensive Book Distribution, Arts in Education, Alcohol and Drug Abuse Education, and Law-Related Education programs. The Committee does not assume enactment of this amendment and recommends amounts in accord with existing law.

For the inexpensive book distribution program, the Committee recommends $7,000,000, an increase of $301,000 over the 1986 amount. Recent studies have found that this program is generally supported by school personnel, parents, volunteers, and sponsoring community agencies. Respondents reported beliefs that the program represented the only source of books most participating children had in their homes, that it stimulated greater involvement by parents in their children's reading activities, and that it has a beneficial impact on school-community relations and school-parent relations.

For the arts in education program, the bill includes $3,157,000, an increase of $136,000 over the 1986 amount. These funds will be used to operate two programs, one supporting the National Committee on Arts for the Handicapped to encourage the development of programs that integrate the arts into the general education of disabled children and the lives of disabled adults. The other supports education programs at the John F. Kennedy Center for the

Performing Arts, including programs for children and youth and the American College Theater Festival.

For the alcohol and drug abuse education program, the bill includes $3,000,000, an increase of $129,000 over the 1986 amount. Funds will be used to continue the school team approach for dealing with alcohol and drug abuse problems, and to support the network of five regional training centers and a program support center that provides information on activities at the local level. The funds will enable the program to continue its efforts for dealing with discipline-related problems in the schools.

The bill includes $3,000,000 for the law-related education program, an increase of $1,086,000 over the 1986 amount. Funds will be used for activities previously authorized by Title III–G of the Elementary and Secondary Education Act. This program promotes efforts to educate people about the legal system and the principles on which it is based. The authorizing legislation provides that a minimum of $2 million from the Secretary's discretionary fund shall be used annually for the law-related education program. The committee has added $1 million to the fund for the specific purpose of making at least $3 million available in 1987 and directs that at least $3 million be used for such purpose.

In addition to the law-related program not having received an increase for several years there is an additional reason related to the bicentennial celebration. This program involves schools and school children better understanding our form of constitutional government and our law enforcement and justice system. The bicentennial commission will be marshalling tremendous private as well as public resources to celebrate the 200th anniversary of a great event and the law-related recipients will have the opportunity to resources not available in the past which could greatly enhance the quality of the law-related program. It is the intent of the Committee that the increase available in 1987 be used to enable the grantees in this program to take advantage of the activities of the bicentennial commission so as to better utilize the additional talent which will be available, to create a greater interaction between youth and law professionals, to enable them to have a better understanding of legal processes and the importance of the constitution.

The Committee adds $4 million to the Secretary's discretionary fund authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981 to provide the nine regional educational laboratories $4 million to enable their governing boards to begin a new two-year program that will identify and support further development of promising rural, small-school activities and practices within their regions. These projects will feature innovative uses of technology to deliver services and professional development related to math, reading, sciences and languages. The Committee expects the laboratories to include state public broadcasting systems in their plans to improve instruction and curriculum in small schools.

Within the Secretary's discretionary fund, the Committee recommends $10.7 million for the National Diffusion Network, an increase of $460,000 over the 1986 amount; no funds were specifically requested in the budget. The Network disseminates the results of successful Federal educational research, development, and demon-

stration projects by identifying programs that work, communicating the results to potential users, and providing training and other technical assistance for implementation.

*Other special programs*

The bill includes $166,034,000 for other special programs, an increase of $91,034,000 over the budget request, and an increase of $4,588,000 over the 1986 amount. These funds are provided for various programs, generally for elementary and secondary education activities.

The Committee recommends $43,066,000 for title II of the Education for Economic Security Act; this is the same amount as currently available for 1986. There was no budget request for this program. Title II funds are used for the improvement of public and private non-profit elementary and secondary school instruction in science, mathematics, foreign languages, and computer learning.

Of the total funds for title II, 90 percent, or $38,759,400, will be used for State grants. Of this amount, a total of $27,131,580, or 70 percent of each State's grant, is to be allocated to the State educational agency for elementary and secondary education programs; at least 70 percent of these latter funds are to be distributed to local school districts for authorized programs. Of the State grant funds, a total of $11,627,820, or 30 percent of each State's grant, is to be allocated to the State agency for higher education for discretionary grants to fund programs in institutions of higher education.

Of the total funds for title II, at least 0.5 percent is reserved for programs in schools operated for Indian children by the Department of the Interior and no more than 0.5 percent for programs in the Territories. No more than 9 percent of the total funds, or $3,875,940, is reserved for discretionary funds for the Secretary to address programs of national significance. Of these funds, 75 percent shall be used to fund (1) programs of national significance in mathematics and science instruction, computer learning, and foreign language instruction, with special attention being given to funds for magnet schools for gifted and talented students and programs that serve historically underserved and underrepresented populations in science and mathematics; (2) evaluation and research activities to improve instruction in science and mathematics; and (3) an annual evaluation of this program. The remaining 25 percent of the Secretary's funds is to be used for grants to institutions of higher education for the improvement and expansion of instruction in critical foreign languages.

The Committee notes the Department's efforts to broaden science and mathematics education by means of technology through educational television programs directed toward young people. The Committee expects the Secretary to continue to support these programs to the same extent as in 1986.

The bill includes $24,000,000 for training and advisory services authorized by title IV of the Civil Rights Act, $1,032,000 above the 1986 level currently available. The budget request included no funding for this program. Title IV authorizes technical assistance and training services to local educational agencies to address problems associated with desegregation on the basis of race, sex, or national origin. Grants are awarded to regional desegregation assist-

ance centers and to civil rights units within State educational agencies to enable them to assist school districts that request help. The regional centers supplement and support State efforts. The funds provided will support about 110 grants to State agencies and about 40 desegregation assistance centers.

The Committee recommends a total of $6,699,000—the same as the 1986 current level—for special territorial assistance. This includes $4,785,000 in general assistance to the Virgin Islands and $1,914,000 in assistance specifically for training teachers in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. These programs were authorized in the Education Amendments of 1978, in recognition of the special needs of the school systems in these outlying areas. No funds were included for these programs in the budget request.

An appropriation of $1,700,000 is recommended for the Ellender Fellowship program—an increase of $73,000 over the 1986 amount. The budget did not request funds for this program. This program provides fellowships to disadvantaged secondary school students and their teachers as a memorial to the late Senator Allen J. Ellender. Fellowship recipients receive practical experience in the activities of the legislative, executive, and judicial branches of the Federal Government.

Included in the bill is $6,000,000 for the Women's Educational Equity Act program, an increase of $258,000 over the 1986 current level. No funds were contained in the budget request for this program. This program supports national, statewide, and other projects designed to promote equality of education for women through such means as guidance and counseling activities, preservice and in-service training for educators, and courses for underemployed and unemployed women.

The bill includes $75,000,000 for the Magnet Schools Assistance program (Title VII of the Education for Economic Security Act, P.L. 98-377) $3,225,000 above the 1986 level. The budget request was also $75,000,000. The Magnet Schools Assistance program authorizes grants to local educational agencies for use in establishing or operating magnet schools that are part of a desegregation plan approved by a court or by the Department of Education's Office for Civil Rights. A magnet school is defined by the statute as "a school or education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds." Funds may be used to meet the following expenses in magnet school programs: certain activities related to expansion and enhancement of academic programs; books, materials, and instructional equipment; and, teachers' salaries. The funding level of $75,000,000 will support an estimated 44 new grants.

The bill provides $2,392,000 for the Excellence in Education Act (Title VI of the Education for Economic Security Act, P.L. 98-377), the same level as in fiscal year 1986. The budget request included no funding for the program. Grants are made under this program to local education agencies to support educational excellence activities at schools nominated by local agencies and selected by the Secretary of Education. Among the expected goals are the updating of school curriculum to increase student performance, the implemen-

tation of attendance and discipline improvement programs, the increasing of students' time on task, and the provision of financial and other incentives to teachers and teams of teachers for superior performance. This program offers an opportunity for the Federal Government to support locally determined and implemented school reform activities.

The Committee recommends $7,177,000 for the Leadership in Educational Administration Development Act (LEAD); this recommendation is the same as the 1986 current level. There was no budget request for this program. Under this program, the Secretary makes grants to higher education institutions, State and local educational agencies, private management organizations, non-profit organizations, or consortia of such entities for the development of at least one administrative training institute per State. The services of the institute are to be made available to school administrators from any local educational agency in the State served by the institute. Emphasis is to be placed on the identification, assessment, and development of leadership skills for new and practicing school administrators, with particular emphasis on women and minority administrators.

### BILINGUAL EDUCATION

For bilingual education, the Committee has provided $179,637,000, an increase of $14,426,000 over the 1986 amount, and an increase of $36,686,000 over the budget request. The amount recommended includes $3,686,000 for bilingual vocational training, $159,000 above the 1986 level; and $30,000,000 for emergency immigrant education, an increase of $1,290,000 over the 1986 amount. In general, the Federal bilingual education programs are designed to assist limited English proficient children to improve their academic skills through improved English language proficiency.

For bilingual education programs authorized by title VII of the Elementary and Secondary Education Act, the Committee has provided $145,951,000, an increase of $6,686,000 over the amount appropriated in fiscal year 1986, and an increase of $3,000,000 over the budget request. Federal bilingual education programs are designed to help limited English proficient children learn English and academic subjects so that they can meet school grade promotion and graduation standards.

*Bilingual programs*

The Committee has included $99,161,000 for grants to school districts, which is an increase of $4,210,000 over the amount appropriated for 1986 and $124,000 below the budget request. This increase will provide services to more than 18,000 additional students.

The recommended amount includes $78,000,000 for transitional bilingual education programs, $1,000,000 for developmental bilingual education, and $8,600,000 for special alternative instruction.

The Committee also intends that $2,250,000 be provided for family English literacy programs, and that any additional funding for programs for special populations (preschool, special education, and gifted and talented projects) be devoted to special education.

*Support services*

The Committee has included $10,300,000 for support services, $140,000 below the 1986 appropriated amount, and an increase of $200,000 above the budget request. This amount includes $5,000,000 for grants to State Education Agencies, allowing all States that apply to receive the statutory minimum grant of $50,000.

The recommended amount also includes $1,500,000 for the National Clearinghouse on bilingual education. The Committee expects that there will be no reduction in practitioner-oriented services. The Committee directs the Department to complete procurement of a new clearinghouse contract expeditiously, and to continue services without interruption at previous levels.

*Training grants*

The Committee has recommended $36,490,000 for training grants and contracts, an increase of $2,926,000 over the amount appropriated for 1986. Increased funding is necessary to address a national shortage of educational personnel trained to teach limited English proficient students. The Committee intends that at least 500 fellowships be awarded for advanced study of bilingual education or special education programs for limited English proficient students, in such areas as teacher training, program administration, research and evaluation, and curriculum development.

*Vocational training*

The Committee has included $3,686,000 for this program, an increase of $159,000 above the 1986 amount. The Administration requested no funds for this program for 1987. This program provides funds for bilingual vocational training and occupation-related English language instruction to out-of-school youths and adults of limited English proficiency, for instructor training, and instructional materials development. About 18 projects will be supported in 1986.

*Emergency immigrant education*

The Committee has recommended $30,000,000 for emergency immigrant education assistance, an increase of $1,290,000 over the 1986 amount. The Administration requested no funds for this program for 1987. The program provides grants to States with school districts enrolling substantial numbers of immigrant children. Awards are used to help cover the cost of providing educational services to these students. Participation is limited to States with school districts enrolling 500 such students or where immigrant children represent at least 3 percent of the enrollment. In 1986, about 422,500 immigrant children are being served through this program.

## EDUCATION FOR THE HANDICAPPED

The bill includes $1,494,420,000 for the education of the handicapped, an increase of $191,320,000 over the budget request and $144,886,000 over the 1986 level.

To maintain the Federal commitment to assist States in educating handicapped children under P.L. 94-142, the bill provides $1,300,000,000 for basic State grants. This funding level represents

approximately 8 percent of the estimated average excess costs of educating handicapped children in elementary and secondary schools, and would provide an estimated $313 per child for approximately 4.2 million children expected to be served by special education during the 1987–88 school year. This program is advance funded so the 1987 appropriation will not be obligated until the 1987–88 school year. Since 1977, the number of handicapped children served under the P.L. 94–142 program has grown by 667,000.

The bill includes $31,000,000 for preschool incentive grants, the same amount as the budget request and $2,290,000 over the 1986 level. The Education of the Handicapped Act Amendments of 1983 (P.L. 98–199) authorized an extension of services under this program to handicapped children from birth through age 2, although the formula for the distribution of funds to the States continued to be based on the number of 3 through 5 year old handicapped children served. The amount recommended is intended to help States meet the increased demand for services to about 266,000 preschool children.

An amount of $14,764,000 is included for centers for deaf-blind children and youth, an increase of $645,000 over the 1986 level and $5,764,000 over the budget request. P.L. 98–199 shifted a portion of this program from direct services to indirect services by building State capacity through the use of regional deaf-blind centers, technical assistance grants, and model demonstration projects for the education of deaf and blind children and youth.

The Committee is concerned about the use of funds appropriated for the Deaf-Blind Centers Program, part C, section 622 of the Education for the Handicapped Act. The funds provided under the services for Deaf-Blind Children and Youth Program should be used for direct services and technical assistance exclusively for individuals who are identified as deaf-blind, or for those between birth and age three who are likely to be diagnosed as deaf-blind.

For severely handicapped children, the bill includes $5,000,000 which is $215,000 more than the 1986 level and $700,000 over the budget request. Projects funded under this activity assist severely handicapped children to function independently in society, and emphasize parental involvement in providing educational services. The program awards most of its funds as grants to public and nonprofit private organizations and agencies.

This bill includes $24,000,000 for the early childhood education program, $1,032,000 over the 1986 funding level and $1,500,000 over the budget request. The funds provide assistance for demonstration efforts in teaching handicapped children ages birth through 8 years and for disseminating effective teaching models to serve this age group. A recent evaluation of this program revealed that 80 percent of the 280 projects funded continued to provide services although Federal program funding had been terminated. P.L. 98–199 requires 30 percent of the funding under this activity to be available for grants to States for the development of comprehensive service delivery systems for handicapped children ages birth through 5 years. Early childhood education for handicapped children, particularly between the ages of birth and 3 years, may prevent additional or more severe handicaps for the children later in

life and, therefore, affords greater long-term benefits and reduced costs.

The bill also includes $6,600,000 for secondary and transitional services, $284,000 over the 1986 level and $270,000 over the budget request. This funding would primarily support the continuation of projects already in place. Authorized by P.L. 98–199, this program provides assistance to strengthen and coordinate services for the transition of handicapped youth from secondary school to postsecondary endeavors, and to improve secondary special education. Assistance is provided to institutions of higher education, State educational agencies, local educational agencies, and other appropriate public and private nonprofit agencies for demonstration studies, research, and development activities.

The bill includes $5,500,000 for postsecondary programs, $236,000 over the 1986 level and $200,000 over the budget request. Since 1975, this activity has primarily supported four vocational-technical institutions serving multi-State regions (Seattle Community Central College, California South University at Northridge, St. Paul Vocational-Technical Institute and Delgado College in New Orleans) and providing direct services to the deaf. P.L. 98–199 established a new priority under this program to fund the development of model postsecondary educational and support services for persons with handicaps other than deafness. The 1983 amendments required that $2,000,000 of the appropriation be made available for the four institutions for the deaf.

For innovation and development, the bill provides $16,811,000, which is $731,000 over the 1986 level and $811,000 over the budget request. This program funds research and development projects, student-conducted research in institutes of higher education, and model demonstration projects to improve educational opportunities for handicapped children and the capabilities of their teachers. In 1987, funds will primarily be used to support the continuation of existing projects. About 40 percent of the 1987 funds will be used to initiate new projects.

For the media services and captioned films program, the bill includes $17,429,000 which is $753,000 more than the 1986 level and $929,000 over the budget request. This program supports not only captioning and recording, but also media and material centers, development and distribution of educational technologies, marketing, and the use of media to help handicapped persons.

The Committee continues to support the service of captioning television programs for the hearing-handicapped. The provision of this service depends not only on federal assistance for captioning, now paying for less than half of all captioning, but also on the existence of decoders, and public awareness of the service, and on continuing development of more inexpensive and available decoders.

The Committee expects the Department to provide $4 million for captioning. The Committee heard testimony that few programs for hearing handicapped children are captioned. The Department should examine the needs in this area.

The Committee expects the Secretary to provide $1.0 million in 1987 to assist in production of 30,000 decoders. The Committee is aware of the Department's delays in renewing support of decoder

manufacture for the past two years. Therefore the Committee expects the Department to provide for this manufacturing support in order to avoid any further delay in this service to the deaf.

The Committee expects the Secretary to provide $200,000 for public awareness, to alert the public and the hard-of-hearing population about the service.

The Committee expects the Secretary to provide $500,000 for the continuing development of a decoder designed to reduce decoder costs still further.

The bill includes $6,300,000 for regional resource centers, which is $271,000 over the 1986 level and $300,000 over the budget request. Under P.L. 98-199, these centers are specifically authorized to provide technical assistance to State governments, and through them, to localities to disseminate information on, and encourage replication of exemplary programs and practices providing special education and related services to handicapped children. These centers also encourage State and local educational agencies, along with the centers, to develop and share their expertise in developing such programs. The 1987 funds will provide funding for regional centers and a national coordinating center.

For the recruitment and information program, the bill includes $1,110,000, which is $48,000 over the 1986 level and $85,000 over the budget request. This activity authorizes assistance to improve the recruitment of educational personnel and the dissemination of information concerning educational opportunities for the handicapped. P.L. 98-199 required two clearinghouses to be established under this program: one on general education of the handicapped, and the other on postsecondary education for the handicapped. Currently, the program funds grants to conduct media outreach to educate the general public about the handicapped, to provide information regarding programs available for handicapped children, and to develop and distribute information packets for parents of handicapped children.

The bill includes $63,906,000 for special personnel development, which is $2,752,000 over the 1986 level and $15,906,000 over the budget request. This program supports activities to assure that there will be an adequate supply of qualified special education and support personnel through grants to institutions of higher education and other appropriate private nonprofit agencies for personnel training. Contracts are authorized to prepare personnel in areas where shortages exist and which are inadequately served by the grant process. P.L. 98-199 specifically authorized grants for nonprofit organizations to undertake parent training and information programs that had previously been supported under the general authority of Part D, of P.L. 94-142. The law requires 10 percent of the appropriation for special education personnel development to be devoted to the parent training grants. During 1987, about 35 percent of the funds are expected to be used for new personnel development projects.

A total of $2,000,000 is included in the bill for special studies to evaluate P.L. 94-142, the same as the budget request but a $1,089,000 decrease from the 1986 level. This level will maintain most of the evaluations, studies and data analysis currently being conducted by the Department. The Department will continue to

fund those studies required under P.L. 98-199, including a longitudinal study tracing the experience of handicapped students who received special education through and after secondary school and a study documenting Federal, State and local expenditures on special education. The 1987 funding level will support these as well as additional activities in evaluating P.L. 94-142.

Last year the Committee requested a progress report from the Secretary of Education on strengthening the Federal response to the education of millions of students with learning disabilities. The Committee stressed the importance of collaborative efforts with Federal departments and agencies involved in educational assistance, training, or research.

In a report to the Committee, the Secretary of Education confirmed the great need for interdepartmental collaboration. Of particular concern have been the issues of proper diagnosis and placement of learning disabled students, and the adequacy of educational programs in assisting these students. The Committee fully expects that the Secretary of Education will move forward in developing effective educational strategies for the learning disabled, in cooperation with the parent and professional organizations. The Secretary should report back to the Committee during next year's budget hearings on the success of that effort.

### REHABILITATION SERVICES AND HANDICAPPED RESEARCH

This account combines activities of the Office of Special Education and Rehabilitative Services and the National Institute of Handicapped Research. With the exception of the basic State grant program and the Helen Keller Center, which are authorized for 1987, the Committee has deferred consideration of the budget requests for all items in this account because authorizing legislation for 1987 for these items had not been enacted before the Committee reported the bill.

For basic State grants, the bill includes $1,148,356,000, which is $3,208,000 more than the amount available for 1986, and $48,356,000 above the budget request. This program provides 80 percent Federal matching funds to State vocational rehabilitation agencies for the provision and administration of rehabilitation services to physically and mentally handicapped individuals. In 1985, the State grant program served 931,779 handicapped individuals. Of the 227,652 persons who completed services and were rehabilitated in 1985, about 60 percent were severely handicapped. After declining 40 percent between 1974 and 1983, the number of rehabilitations increased 4 percent in 1984 and increased about 1 percent in 1985. The amount recommended for basic grants is the full amount authorized under current law.

The bill includes $4,300,000 for the Helen Keller Center for Deaf-Blind Youths and Adults. This is the same amount appropriated for 1986 and $100,000 over the budget request. These funds are used to address the special problems of rubella epidemic victims who are now in their twenties. These persons, in addition to being deaf and blind, are frequently mentally retarded and/or orthopedically handicapped and have extensive service needs. The Helen Keller Center was authorized separately from other rehabilitation

programs in 1984 and is administered by the Department of Education.

### VOCATIONAL AND ADULT EDUCATION

The bill includes $1,016,433,000, an increase of $511,459,000 over the budget request, and an increase of $116,109,000 over the 1986 current level. This appropriation account supports the Carl D. Perkins Vocational Education Act and the Adult Education Act.

*Vocational education*

The Committee believes that vocational education is a vital part of the educational system in this country. Federal support authorized through legislation began more than 70 years ago. Over the years, the Committee has shown continuing interest and strong support for adequate funding through a Federal, State, and local partnership. The Federal share of funding for vocational education has been relatively minor (less than 10 percent of total spending), but has been important in helping State and local educational organizations develop effective vocational programs for all Americans. At the same time, however, the Committee is becoming increasingly concerned about the actual use of Federal funds at the State and local level, and calls upon the Secretary to develop satisfactory measures of accountability for the use of Federal funds.

For programs authorized by the Carl D. Perkins Vocational Education Act, the bill includes $906,433,000, an increase of $505,459,000 over the budget request and an increase of $103,688,000 over the 1986 current amount.

Funds available for the Carl D. Perkins Vocational Education Act are designed to support and improve programs that provide education and training needed by persons to compete and advance in the labor market. Studies have shown that Federal funds are important in helping the States and localities provide vocational education programs for disadvantaged, handicapped, and adult students, and in providing "seed" money for the improvement of vocational programs generally.

The Federal vocational education program is now completing the first year of implementation of new legislation enacted at the end of 1984. Under the Carl D. Perkins Vocational Education Act, 57 percent of each State's basic grant funds are to be used for support of vocational education services targeted on six groups: the handicapped; the disadvantaged; adults in need of training or retraining; single parents and homemakers; participants in programs to eliminate sex bias and stereotyping; and criminal offenders in correctional institutions. The remaining 43 percent is to be used for vocational education program improvement, innovation, and expansion. In a significant shift from previous legislation, no funds may be used merely to maintain regular vocational education programs. In another deviation from earlier law, in general only 7 percent of a State's basic grant may be used for State administration; this will mean that more basic grant funds will be used to provide actual vocational education services to students.

Within the total provided, the bill includes $848,000,000 for basic State grants, an increase of $460,844,000 over the budget request,

and an increase of $99,262,000 over the 1986 current amount. This amount will assist States in serving populations with special needs at the funding levels necessary to carry out the new Act, while continuing to improve the overall quality of Federal vocational education programs. Basic grant funds are allocated to the States and outlying areas according to a formula based on State per capita incomes for the three most recent fiscal years and on State populations in three age cohorts (15–19, 10–24, and 25–65) in the preceding fiscal year.

The bill provides $12,000,000 for national research and data systems programs under title IV of the Act, an increase of $5,182,000 over the budget request, and an increase of $2,430,000 over the 1986 current amount. These funds should provide funding for the National Center for Research in Vocational Education, and funding for authorized research activities, such as the national assessment of vocational education programs as well as other research expected to improve the quality of vocational education in general, and programs to meet the needs of special populations in particular. Furthermore, it is the Committee's intention that the additional $2,000,000 provided for national programs will be available to the Office of Vocational and Adult Education for new discretionary grants to address current issues of national significance in vocational education. The total amount should also maintain funding for the national occupational information data systems. The National Occupational Information Coordinating Committee has been jointly funded with the Department of Labor since 1978, and has assisted States to collect and disseminate vocational education, training, and labor market information.

The Committee expects the Secretary to use $450,000 for the support of the ongoing displaced workers program authorized by section 415 of the Carl D. Perkins Vocational Education Act.

The Committee has provided $6,000,000 for the National Center for Research in Vocational Education. The Committee found unpersuasive the Administration's arguments for funding the National Center on a current year basis, rather than a forward funded basis as in the past. The funds recommended by the Committee are intended to continue the forward funding mechanism, as well as to comply with the requirements of the Perkins Vocational Education Act.

The bill provides $31,633,000 for consumer and homemaking education, an increase of $1,360,000 over the 1986 current amount; no funds were requested in the budget. Grants are allocated to the States and outlying areas under the same formula used for basic grants. These funds can be used for instruction in the areas of food and nutrition, consumer education, family living and parenthood education, child development and guidance, housing, home management (including resource management), and clothing and textiles. The States are also encouraged to use funds to serve special-needs populations, to eliminate sex bias and stereotyping, and to provide ancillary services to ensure the quality and effectiveness of consumer and homemaking programs.

The bill provides $7,300,000 for State councils on vocational education, an increase of $300,000 over the budget request, and an increase of $314,000 over the 1986 current amount. These funds

should maintain the staff and activities of these councils at current levels. These funds shall be distributed on the basis that all States are first allotted $120,000 and all territories $50,000, with the remainder allotted to States in accordance with the method for allotment contained in 101A2, except that no State Council shall be allotted more than $209,000, and that no State Council will receive an amount less than they were allotted for expenditure during fiscal year 1986.

The Committee provides $7,500,000 for community-based organizations, an increase of $322,000 over the 1986 amount; no funds were requested in the budget. Funds are allocated to States in a manner similar to that used for basic State grants, and are used for joint programs of eligible recipients and community-based organizations to provide vocational education services. These services may include outreach programs, transitional services, prevocational preparation, programs for the disadvantaged, and guidance and counseling.

*Adult education*

The bill includes $110,000,000 for adult education programs, an increase of $6,000,000 over the budget request, and an increase of $12,421,000 over the 1986 current amount. These funds are used to assist State programs that serve an estimated 2.6 million persons annually. About 70 percent of the participants have received instruction in basic education skills or English as a second language; the remaining 30 percent received instruction leading to an equivalent of a high school diploma. Participants tend to be among the most seriously disadvantaged people in the Nation. Nevertheless, the program is able to serve only a small portion of those eligible for services. States are required to provide at least 10 percent of the cost of these programs. In recent years, while State financial participation has increased to over 50 percent, the Federal contribution has declined in real terms.

Under the Adult Education Act, States may serve individuals below age 16 who are above the State age of compulsory attendance. The States may also fund adult education projects at private, for profit, organizations which: (1) can make a significant contribution to attaining the objectives of the Act; and (2) can provide substantially equivalent education at a lesser cost or can provide services and equipment not available in public institutions.

## STUDENT FINANCIAL ASSISTANCE

The budget request of $3,812,568,000 for the student aid account is based on a legislative restructuring of the Pell Grant and other student assistance programs. No funds are requested in the budget for capital contributions for National Direct Loans and State Student Incentive Grants.

The bill does not include funding levels for programs within this account because authorizing legislation for these items had not been enacted when the Committee reported the bill. Programs generally included in this account are the Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study, National Direct Student Loan and State Student Incentive Grant programs.

The Committee regrets that the lack of authorization requires the deferral of the consideration of appropriations for the student aid programs. The Committee stands ready to recommend adequate funding levels for all these programs as soon as possible following enactment of authorizations.

The Committee is concerned about the implementation and enforcement of certain regulations dealing with verification of student assistance program applications. Those regulations were published by the Department of Education on March 14, 1986 in the *Federal Register.*

While the Committee recongizes the importance or verifying student financial assistance applications and commends the Department of moving foward in this area, the Committee believes that the regulations are imposing under unintended burdens on institutions of higher education and students of those institutions.

For example, the increased verification requirements of the regulations require schools to obtain a large amount of additional family data that is often difficult to obtain. Several institutions have told the Committee that they have incurred significant additional costs attempting to comply with the regulations, and that they are experiencing delays in processing student aid applications. Finally, the Committee is concerned that students may be placed in a difficult position when the academic year begins and their aid applications have not yet been processed because of verification.

The Committee has agreed, therefore, that the regulations issued by the Department of Education on March 14, 1986 should not be implemented or enforced until July 1, 1987. The Committee anticipates that in the intervening period, the Department will review and redraft the regulations, taking into account any administrative burdens the new regulations may cause. The Committee directs the Department of consult closely with the House and Senate Appropriations Committees, and the relevant authorizing committees, in their review of the regulations. The House Education and labor Committee already has indicated its intention to address this question this year.

In addition, it is the Committee's intent that the March 4 regulations not be considered in effect during the 1986 award year, and the Committee expects that the Department will not hold institutions responsible for errors made in the verification process in 1986. The Committee wishes to state its enthusiastic support for those institutions that verify applications on their own, and urge those institutions to return to such earlier practices to uncover fraud, abuse, and waste in student financial programs.

### GUARANTEED STUDENT LOANS

The bill includes $3,394,000,000 for the guaranteed student loan appropriation account, the latest estimate of the funding that will be required for the program under current law. This amount is $66,250,000 less than the Administration's current law estimate for 1987 provided in its budget request and $134,025,000 more than the 1986 appropriation. In its budget request for 1987, however, the Administration proposed certain legislative changes that, together with sequestration, would have reduced its 1987 estimate for the

program by $1,130,664,000. The Committee makes no assumptions about changes in existing law, which may result from the regular legislative process.

Activities carried out under the guaranteed student loan and auxiliary loan programs enable students and their parents to borrow at low interest rates to help finance the cost of postsecondary education or training at universities, colleges, and vocational schools. This is an entitlement program and appropriations are required to pay interest subsidies, default claims and other expenses related to these student loans.

As of October 1985, the guaranteed student loan program has supported over $58 billion in loans to students and parent borrowers with a cumulative outstanding loan volume of $35.8 billion. Over 10,000 banks and other lenders as well as over 8,000 post secondary educational institutions participate in this program annually.

The Federal Government provides several forms of support including interest subsidies, and insurance and reinsurance payments for student and parent loans. Lenders receive quarterly a "special allowance" that assures them a total yield on outstanding loan volume equal to the most recent quarterly average 91-day Treasury bill rate plus 3.5 percent.

Under the basic student loan program, the Federal Government provides an "interest benefit" subsidy which pays students' interest obligations while they are in school and during grace and deferment periods. To help offset this Federal interest subsidy, students pay a 5-percent loan "origination fee." After a student loan goes into repayment, the student borrower's interest obligation will be either 7, 8, or 9 percent, depending upon what interest was being charged when the student first borrowed under this program.

Under the less subsidized auxiliary loan (or PLUS program) graduate and independent students and parents of dependent undergraduates may receive loans with a current interest rate of 12 percent.

### HIGHER EDUCATION

The Committee had deferred consideration of appropriations for most programs in this account because authorizing legislation had not been enacted when the Committee reported the bill. Only those programs extended by authority other than the Higher Education Act have been considered.

*Minority institutions science improvement*

The bill includes $5,000,000 for the minority institutions science improvement program, the same as the budget request, and $215,000 over the 1986 amount. The science improvement program provides grants to improve mathematics, science, and engineering programs at institutions enrolling large numbers of minorities qualified to pursue advanced degrees and careers in science, mathematics and engineering. One-third of the funds available are awarded to historically black colleges and universities.

*Law school clinical experience*

The bill includes $1,500,000 for law school clinical experience, an increase of $65,000 over the 1986 current amount. The budget request does not include funds for this program. This program provides assistance to accredited law schools for establishing or expanding programs of clinical experience in the practice of law.

Since the program was funded initially in 1978 over $16 million have been appropriated. In academic year 1985–86 approximately 1,400 students participated in law school clinical experience programs sponsored with Federal funds.

*National Talented Teacher Fellowship Program*

The Committee recommends $2,000,000 for the National Talented Teacher Fellowship Program. No funds were provided for this program in 1986, and no funds were requested for 1987. Fellows may use the funds for sabbatical study or the development of innovative or model programs.

Under the program, awards are not to exceed the national average salary of public school teachers for the most recent year. If sufficient funds are available, one fellowship is to be awarded in each congressional district. Grants are made to States on the basis of each State's share of the total population; selection is made in each State by a seven member panel appointed by the chief State elected official. If the recommended funds are not sufficient to provide the authorized number of fellowships, the Secretary may allocate these fellowships to the States and territories in a manner that is geographically equitable.

*Carl D. Perkins Scholarships*

The Committee recommends $21,000,000 for the Carl D. Perkins Scholarship Program; $11,430,000 above the 1986 amount of $9,570,000. There was no budget request for this program.

The purpose of this program is to provide financial support to outstanding high school graduates who are interested in teaching careers. Grants are made to States on the basis of each State's share of the total population; selection is made by a seven member panel appointed by the chief State elected official. The panel will establish selection criteria, including that the scholarship recipients be in the top 10 percent of their graduating class. The annual award will be the lesser of $5,000 or the cost of attendance. Within a 10-year period after completing the postsecondary education for which the scholarship was awarded, the recipient shall teach in an elementary or secondary school in any State for not less than 2 years for each year of assistance, except that in certain teaching assignments, the teaching requirements shall be reduced by one-half.

*Fund for postsecondary education*

The Committee has historically looked favorably on the use of the fund for the improvement of postsecondary education for innovative projects, with potential national significance. As such, the Committee notes a proposal developed and submitted by the American Foundation for Negro Affairs (AFNA), to assist disadvantaged

students interested in professional careers, and expects that every effort be made to give this project full consideration for funding, in as expeditious a manner as possible, when funds become available.

*Wagner Institute of Urban Public Policy*

The Committee is aware of a new authorization contained in H.R. 3700, the Higher Education Amendments of 1985, concerning the Wagner Institute of Urban Public Policy. The bill passed the House on December 4, 1985 and is currently pending joint conference with the Senate.

The Institute will serve as a center to coordinate research, conduct forums and bring the resources of the academic community to bear upon the solution of pressing political, economic and social problems in New York City, the results of which will be disseminated nationally.

The Committee intends to follow the authorization of this program, and will give every consideration to funding the program in accord with such legislation that may be enacted in the future.

*Navajo Community College*

The Committee has been made aware of a serious situation involving the Navajo Community College in Shiprock, New Mexico. This institution is in need of renovation and curriculum changes in order to correct deteriorating conditions that are growing more serious. The Committee expects the Department to look into this matter and develop a plan for assisting this institution. The Committee will provide whatever assistance may be required in this regard.

COLLEGE HOUSING LOANS

The Committee recommends that $60,000,000 be made available for new loan commitments in fiscal year 1987, the same level of new commitments as was provided for 1986. The Committee directs the Secretary to defer the sales of loans to the public and continue to make new loan commitments up to the amount specified.

Under the College Housing Loan program, authorized by title IV of the Housing Act of 1950, loans are made to postsecondary institutions for energy conservation, construction, or acquisition of student housing facilities. Loans bear an interest rate of 3 percent and have terms of not more than 40 years. Funding for this program was initially provided through $2.8 billion in permanent Treasury borrowing authority and by an additional $2.2 billion made available through the sale of participation certificates. Since 1977, funding for new loan commitments has come from interest income and loan repayments in excess of annual operating expenses.

Loan repayments and other income returning to this account are used to pay operating expenses associated with prior year loans. These expenses include: (1) interest owed to the Treasury on borrowed funds used to make loans in prior years; (2) loan servicing and management expenses paid to the Federal Reserve Bank and Government National Mortgage Association; and (3) principal and interest payments to GNMA's participation sales fund to retire the outstanding debt on participation certificates.

During 1985, a total of 146 applications were submitted by postsecondary institutions requesting a total of $309,000,000 for new loans. In order to meet part of the demand for new loans, the bill authorizes $60,000,000 to be derived from repayments of loans made in prior years.

The Committee directs the Secretary to continue to make new loan commitments during 1987 and not to begin to sell off the existing loan portfolio. This program is vital to the health of the nation's postsecondary institutions. Much of the existing infrastructure of postsecondary institutions is in need of repair and renovation as 25 percent of their physical plants were built before World War II and an additional 25 percent prior to 1960. With anticipated changes in the Higher Education Act, new loan commitments in future years may also be used to renovate academic facilities.

### EDUCATIONAL RESEARCH AND STATISTICS

This account supports the educational research and statistics functions administered by the National Institute of Education and the National Center for Education Statistics. The Committee defers consideration on funding for activities conducted by the National Institute of Education because authorizing legislation for them had not been enacted before the Committee reported the bill.

For the National Center for Education Statistics the bill includes $8,747,000, an increase of $376,000 over the 1986 amount. No funds were separately requested in the budget. The National Center is the primary Federal agency responsible for the collection, analysis, and dissemination of statistics about the condition of education in the United States and abroad. The basic statistical program of the center includes providing the Department, other Federal agencies, the Congress, and the States with policy relevant data on the condition of education; assisting State education agencies in developing efficient information systems; and providing comprehensive information services to Federal, State, and local agencies, the educational community, and the public.

The Committee has funded the National Center for Education Statistics at the 1986 funding level. This funding level is an interim step that will be reconsidered upon the enactment of authorizing legislation now pending in Congress. The National Center for Education Statistics is presently authorized through 1987. The research activities of the Administration request are not authorized. Consequently, these activities have been deferred until the appropriate authorization is enacted.

### LIBRARIES

The bill includes $130,000,000 for library assistance, an increase of $14,682,000 over the amount available for 1986. No funding for this activity was recommended in the budget request.

For public library services under title I of the Library Services and Construction Act, the bill includes $80,000,000, an increase of $8,226,000 over the 1986 current level. This program helps State agencies to establish, extend, and improve public library services. Prior to the enactment of the Library Services and Construction Act, only 23 States had programs for library services. Now, 43

States provide approximately $200 million in assistance annually for public libraries. Since 1956, title I funds have helped to expand access to some level of library services to about 96 percent of the population. In 1987, title I funds will be used to maintain service to such special populations as the physically handicapped, older readers, State institutionalized persons, disadvantaged persons, and the limited-English proficient. The 1984 Amendments to the Library Services and Construction Act add special provisions for assistance to Indian tribes and Native Hawaiians, while limiting the use of funds for administration. Appropriations above the $60,000,000 level will be used to support major urban public libraries in all States.

For the interlibrary cooperation activity of title III of the Library Services and Construction Act, the bill provides $20,000,000, an increase of $2,774,000 over the 1986 current level. This level would expand support for cooperative projects involving libraries of all types, including computerized bibliographic data bases, centralized technical services, and application of new technologies to library services. Recognizing the cost savings of interlibrary cooperation, 28 States provide aid to improve telecommunication linkages, resource sharing, and networking among libraries.

The bill provides $5,000,000, the same as the appropriated 1986 level for library literacy programs. These programs, authorized under title VI of the Library Services and Construction Act, were created in the 1984 amendments and first funded in 1986. The programs provide adult literacy instruction in and through public libraries.

The Committee recommends $25,000,000, an increase of $3,467,000 over the current 1986 level, for public library construction grants. These matching grants limit the Federal share to no more than 50 percent of the cost of each project. It is projected that one-half of the funds will be used for new projects, with the remainder divided evenly between remodeling and building additions. Included among the remodeling projects are those to improve energy efficiency or enhance access for the handicapped.

Appropriations for library training and demonstration programs, and research libraries—normally included under this account—are deferred pending enactment of authorizing legislation. These programs are authorized under the Higher Education Act, which expires at the end of fiscal year 1986.

The Committee is concerned by the efforts of the Department to force the State of Illinois to repay its entire allotment of LSCA Title I funds for the period from July, 1977 through the end of 1980. The Committee has included bill language under "General Provisions" to bar the Department from pursuing further this inappropriate and unwarranted activity.

The Committee understands that during this time period the State's plans for use of these funds were approved on an annual basis by the Secretary. The Department's audit of the Illinois Library System for the period in question made no findings of fraud and made no allegations of criminal wrongdoing under either State or Federal law. It appears to the Committee that good faith decisions were made by the State in developing a model library program which has greatly improved the delivery of library services to

the public. The Committee further understands that a 1974 audit of the Illinois libraries found no problems with the State's accounting system but that the subsequent audit found fault with the same system. The accounting practices of the State which resulted in the audit determination have nonetheless been corrected in order to satisfy the Department. Finally, it appears that the 5-year statute of limitations provisions contained in section 452(g) of the General Education Provisions Act (20 U.S.C. 1234a(g)) apply to the first 28 months of the period in question.

## Special Institutions

### AMERICAN PRINTING HOUSE FOR THE BLIND

The bill includes $5,510,000 for the American Printing House for the Blind, the same amount as the budget request and a $247,000 increase over the 1986 level.

The American Printing House for the Blind was chartered by the Commonwealth of Kentucky in 1858 for the nonprofit manufacture of books, materials, and educational aid for educating blind children in special schools for the blind. In 1979, Congress passed an Act "To Promote the Education of the Blind," which enabled the Printing House to provide materials to all blind children (at the elementary and secondary level) thoughout the United States.

The Committee's recommended funding level will provide special materials for severely multi-handicapped blind students, preschool materials, and materials to enhance the use of remaining vision. In fiscal year 1987, the Printing House will provide special education materials to an estimated 47,400. Of those who use these services 40,200 are students enrolled in classes below the college level and 7,200 are adults enrolled in rehabilitation programs.

The Committee continues to believe that a higher proportion of blind people should be employed at the Printing House and urges responsible officials to take all reasonable steps in providing additional employment opportunities for blind persons. The Committee feels that blind persons can be employed in substantially greater numbers provided there is a strong commitment to this effort on the part of the President and the Board of Trustees.

### NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

The bill includes $32,000,000 for the National Technical Institute for the Deaf, $1,376,000 over the current 1986 level and $620,000 over the budget request. The budget request included $1 million for an endowment program that would be established for the Institute under proposed legislation. No such authority has been enacted by Congress, and instead the Committee has included the $1,000,000 as part of the Institute's normal funding.

The National Technical Institute for the Deaf was created by Congress to provide postsecondary technical education for the Nation's deaf youth to prepare them for successful employment. The Institute is a national, coeducational, residential, education and research center located at the Rochester Institute of Technology. The Institute trains individuals to serve the deaf population and conducts applied research into the communication, economics, employ-

ment, and other aspects of deafness. The Institute serves a primary role in the development of prototypes to enhance achievement and accommodation of deaf people. Students are offered individualized education programs by the Institute through a system of direct instructional and support services including tutoring, instructional technology development, and career counseling. The Institute serves about 25 percent of all postsecondary deaf students, and places about 95 percent of its graduates in employment.

GALLAUDET COLLEGE

The bill includes $60,737,000 for Gallaudet College, the same as the budget request and $1,402,000 over the current 1986 level. The budget request included $1 million under an endowment program that would be established for Gallaudet under proposed legislation. No such authority has been enacted by Congress, and instead the Committee has included the $1,000,000 as part of Gallaudet's normal funding.

Gallaudet College is a private, non-profit liberal arts institution providing college preparatory, undergraduate, and continuing education programs for the deaf. In addition, Gallaudet offers graduate programs in fields related to deafness, conducts basic and applied research on deafness, and provides training and public service programs for deaf persons and professionals who work with the deaf. The College derives its operating revenues from appropriations and non-Federal sources of income such as tuition. In recent years, Gallaudet has also diversified its funding sources by increasing private funding from sources in the business and educational communities.

In academic year 1986–87, the liberal arts college is expected to enroll approximately 1,750 undergraduates and 350 graduates.

The Committee recommendation includes $41,847,000 for College operations and rubella-program funding, a slight increase in funding over the 1986 level. The College program funds will primarily support faculty and staff salaries and benefits, and costs of operation and maintenance of facilities.

A total of $12,200,000 is included for the Model Secondary School for the Deaf. Funding at this level should be more than adequate to cover a proposed salary increase of 2.5 percent, because for the past 3 fiscal years enrollment levels have not reached the original planned enrollment of 425. Enrollment in the 1986–87 school year is expected to be 400. These 1986 funds are for faculty and staff salaries, benefits, and utility cost increases.

An amount of $6,690,000 is included for the Kendall Demonstration Elementary School the same amount as the budget request and $102,000 less than the 1986 level. This amount should allow for a 2.5 percent salary increase. These funds support faculty and staff salaries, as well as costs associated with the operation of the school. Funds will also be used for instruction and curriculum development, student services, public service programs, general institution and administrative services, and for utility costs. Kendall School is totally supported through annual Federal appropriations and enrolls approximately 200 students.

### HOWARD UNIVERSITY

The bill includes $170,230,000 for Howard University, an increase of $13,060,000 over the budget request and $13,062,000 over the 1986 current funding level.

Howard University, located in the District of Columbia and chartered by Congress in 1867, consists of 17 schools and colleges and offers programs in higher education at the undergraduate and graduate levels for over 13,500 students expected to enroll in 1987. In 1986, Federal funds provided about 60 percent of the total operating costs for the university's academic program. The remainder of Howard University's funding comes from non-Federal sources such as tuition, fees, gifts, grants, endowments, and book store sales.

For the academic program, the recommendation includes $141,124,000, an increase of $8,060,000 over the budget request. These funds will be used to help the university meet its operating expenses. The bill also includes $2,000,000 for continuation of a matching endowment grant program and $5,000,000 for the research program first funded in 1985. Eligibility for endowment grant funds requires a 50 percent non-Federal matching contribution. Research funds will be used in 1987 to support a variety of research efforts in the fields of life sciences, mathematics, physical sciences, and computer sciences.

For the Howard University Hospital, the recommendation includes $22,106,000, an amount $951,000 more than provided in 1986. These funds are expected to provide approximately 17 percent of the hospital's total operating expenses in 1987. The Howard University Hospital, operating in conjunction with the university's medical school provides a full range of inpatient and outpatient medical care for the Washington area. The hospital expects to provide care to an average daily census of 385 patients, through its inpatient facilities in 1987. Outpatient activities are expected to include 95,000 visits in 1987.

## DEPARTMENTAL MANAGEMENT

### SALARIES AND EXPENSES

The bill includes $241,692,000 for salaries and expenses of the Department of Education, $16,753,000 over the 1986 amount, and $500,000 over the budget request.

This account for the Department of Education covers costs associated with its management and operation, as well as support for advisory committees, higher education student loan collections, field readers, and planning and program activities such as the National Advisory Council on Bilingual Education. Salaries and expenses for the Office for Civil Rights and the Office of the Inspector General are appropriated separately and have not been included in this account.

The amount recommended in the bill will cover "built-in" increases such as the cost of rental space, communication, utility, and printing expenses. The Committee has approved the requested increase in program funds for the categories of personnel, user

charges, program monitoring, development of the Pell Grant integrated system, and other services.

Funds provided under this appropriation will support an estimated 4,451 full-time equivalent positions, which is 22 full-time equivalent staff members less than the number available for 1986 on a comparable basis.

The Committee is concerned about the Department's decision to utilize federal employees and volunteers to review and rate applications submitted for discretionary grant funds. This practice is a major departure from the Department's previous policy of utilizing non-federal experts to conduct peer review of grant applications. The Committee, therefore, urges that 1987 applications for discretionary funds administered by the Department be subject to appropriate peer review by groups composed principally of non-federal experts. These non-federal readers should be provided compensation and travel costs consistent with past Department practices. This review and rating of proposals should be done at a central location after readers have been given appropriate orientation by Department staff.

The bill also includes $500,000 to support a National Summit Conference on Education, authorized by Public Law 98-524. The purpose of the conference is to create national bipartisan support for education at all levels of government, and to make recommendations for the development of local, State, and national intergovernmental and intragovernmental cooperation in education to make the most efficient use of funds from all levels of government.

### OFFICE FOR CIVIL RIGHTS

The Committee bill recommends $38,185,000 for the Office for Civil Rights, the same as the budget request and $3,574,000 less than the 1986 level.

The Office for Civil Rights is responsible for enforcing statutory provisions prohibiting discrimination on the basis of race, color, national origin, sex, age, or handicapping condition by recipients of Department of Education funds. These civil rights' provisions extend to a wide range of Federal recipients and beneficiaries including 50 State educational agencies, 16,000 local educational agencies, 3,200 institutions of higher education, 50 State rehabilitation agencies as well as other institutions that receive Federal funds, such as libraries.

Office for Civil Rights' plans for ensuring compliance include investigating complaints, conducting compliance reviews, monitoring desegregation and equal educational opportunity plans, and providing technical assistance. The amount provided would fund 840 full-time equivalent positions.

### OFFICE OF THE INSPECTOR GENERAL

The bill includes $16,378,000, the same as the budget request, and $1,724,000 over the 1986 current level.

The Office of the Inspector General was created to establish a basis for independent review of the integrity of Department programs and activities. The Office of the Inspector General is the central authority concerned with the coordination and coverage of

audits and investigative and security responsibilities of the Department and related activities of all parties performing under contracts, grants, or other agreements with the Department.

The recommended amount would fund 300 full-time equivalent positions for the Offices of Audits, Investigations, Assistant Inspector General, and Fraud Control, 21 positions more than the 1986 level.

## TITLE IV—RELATED AGENCIES

### Corporation for Public Broadcasting

#### PUBLIC BROADCASTING FUND

The bill includes $214,000,000, an increase of $84,000,000 over the President's budget request. The funds in this bill are an advance appropriation for fiscal year 1989. The amount recommended is the same as the amount already appropriated for 1988. The Committee has added this substantial amount to the budget request to ensure that public broadcasting has sufficient funding to operate in an acceptable manner. The budget request level clearly would have threatened the existence of public broadcasting as we know it today.

According to the basic law, 90 percent of the funds are for direct support of television and radio, with three-fourths of that going to television and one-fourth to radio. Of the funds allotted to television, 75 percent must go directly to the stations in the form of unrestricted community service grants. Radio stations must receive at least 50 percent of funds allotted to radio. The Corporation may retain up to 10 percent for administration and for such things as research, training, copyright expenses, and interconnection and satellite expenses.

### Federal Mediation and Conciliation Service

#### SALARIES AND EXPENSES

The bill includes $22,656,000, a decrease of $564,000 below the budget request and an increase of $268,000 over the amount available for 1986. The Committee has approved 334 full-time equivalent (FTE) staff, a reduction of 7 from the budget request and the same level as 1986.

The Committee has included $1,160,000 for the labor-management cooperation project, including $1,000,000 for grants and $160,000 for administrative costs. This is about the same amount available for 1986. The budget proposed to eliminate this program. The Committee feels that this program has achieved results with a small amount of money.

Also included in the bill is an increase of $268,000 for employee moving and relocation costs. This amount was requested as a 1986 supplemental, but the Committee has deferred it to the 1987 bill.

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## Federal Mine Safety and Health Review Commission

### SALARIES AND EXPENSES

The bill includes $3,651,000, a decrease of $268,000 below the budget request and the same as the amount available for 1986. The Committee has approved 56 full-time equivalent (FTE) staff for the Commission, a reduction of six below the budget request and the same as the 1986 level. The Commission adjudicates contested enforcement actions initiated by the Secretary of Labor under the Federal Mine Safety and Health Act. In addition, it holds fact-finding hearings and issues orders affirming, modifying, or vacating the Secretary of Labor's enforcement actions.

## National Afro-American History and Culture Commission

### NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE

The bill includes language requested by the Administration to extend the availability of funds appropriated in fiscal year 1986. No appropriation is necessary in 1987.

The Commission was created by law to develop a plan for the establishment, development and operation of a National Afro-American Museum and Culture Center in Wilberforce, Ohio. This includes development of a long-range plan for fundraising from private and public sources for the costs of construction, furnishing, and operation of the Museum and Center. The Commission received an appropriation of $200,000 in 1986.

## National Commission on Libraries and Information Science

### SALARIES AND EXPENSES

The bill includes $660,000, a decrease of $30,000 below the budget request and the same as the amount available for 1986. The Committee has approved the requested number of 11 full-time equivalent (FTE) staff for the Commission, the same number that is available for 1986.

## National Council on the Handicapped

### SALARIES AND EXPENSES

The bill includes $732,000, a decrease of $118,000 below the budget request and the same as the amount available for 1986. The Committee has approved nine full-time equivalent (FTE) staff for the Council, the same as in 1986 and one less than the budget request.

The National Council on the Handicapped is an independent Federal agency comprised of 15 members appointed by the President and confirmed by the Senate. Established by the 95th Congress through title IV of the Rehabilitation Act of 1973 (as amended by Public Law 95–602 in 1978), the Council was initially an advisory body within the Department of Education. However, in 1984, the Council was transformed into an independent agency by the Rehabilitation Act Amendments of 1984 (Public Law 98–221).

The Council is charged with reviewing all laws, programs and policies of the Federal Government affecting disabled individuals and making such recommendations as it deems necessary to the President, the Congress, the Rehabilitation Services Administration (RSA) Commissioner and the National Institute of Handicapped Research (NIHR) Director. Also within the Council's responsibilities are approval of standards concerning Independent Living and Projects with Industry Programs.

## National Labor Relations Board

### SALARIES AND EXPENSES

The bill includes $129,055,000, a decrease of $1,810,000 below the budget request and the same as the amount available in 1986. The Committee has approved the requested number of 2,390 full-time equivalent (FTE) staff for the Board, a reduction of 104 from 1986. This reduced staffing level will be achieved through attrition and is attributable to reductions in the Board's case intake over the past several years. The Committee did not approve the program increases requested in the budget totaling $1,475,000.

## National Mediation Board

### SALARIES AND EXPENSES

The bill includes $6,401,000, a reduction of $139,000 from the budget request and an increase of $316,000 over the amount available for 1986. The Committee has approved the requested number of 58 full-time equivalent (FTE) staff for the Board, the same as the 1986 level.

The Committee has approved the requested increase of $316,000 for adjustment of railroad grievances. This restores the amount sequestered in 1986 pursuant to Gramm-Rudman and provides for built-in cost increases. The total in the bill for this purpose is $2,670,000.

## Occupational Safety and Health Review Commission

### SALARIES AND EXPENSES

The bill includes $5,647,000, a decrease of $103,000 below the budget request, and the same as the amount available in 1986. The Committee has approved the requested number of 90 full-time equivalent (FTE) staff for the agency, the same as 1986.

The Review Commission was established pursuant to the Occupational Safety and Health Act of 1970. The agency adjudicates issues in dispute between the Department of Labor's Occupational Safety and Health Administration (OSHA) and employers (or their employees) to whom OSHA has issued citations charging a violation of the Act.

## Prospective Payment Assessment Commission

The bill includes authority to transfer $3,421,000 from the Medicare trust funds to support the activities of the Prospective Payment Assessment Commission. The amount recommended by the

Committee is the same as the amount requested by the Commission in its independent request to the Congress and is an increase of $320,000 over the amount expected to be obligated in fiscal year 1986.

The Prospective Payment Assessment Commission was established by Public Law 98-121 to advise the Congress and the Executive Branch on issues related to the new system of Medicare hospital reimbursement enacted by that law. This system provides for paying hospitals under a system of fixed fees based on diagnosis related groups (DRG's). The Commission is assigned a broad range of duties under the law including advice on the annual update of the DRG payment levels, advice on restructing individual DRG's based on new procedures or technologies and general advice on the impact of the new reimbursement system on the cost, quality and effectiveness of the Medicare system in particular and the American health care system in general. The Commission issues several annual reports required by Congress including recommendations on the annual update of Medicare hospital payments. The appropriation will support the work of the 15 Commissioners, an executive director and a staff of 25. The amount approved includes $1,000,000 for research, the same level as FY 1986. The Committee expects the Commission to more formally organize its research program and to include in its FY 1988 budget request a formal research plan which reviews FY 1985 and 1986 work and lays out an agenda for FY 1987 and 1988.

The Committee is pleased that the Prospective Payment Assessment Commission has continued to take steps to establish procedures that allow improved public comment and participation in the deliberations of the Commission. The Committee encourages the Commission to continue to implement procedures to assure a broad representation of viewpoints and information.

### Physician Payment Review Commission

The bill includes authority to transfer $1,000,000 from the Federal Supplementary Medical Insurance Trust Fund to initiate the activities of the newly authorized Physician Payment Review Commission. Section 9305 of the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-272, authorizes this Commission as an independent, legislative agency to advise the executive and legislative branches on the method and rates of payment for physician services under the Medicare program. There is wide agreement that a fundamental review of this issue is necessary and that substantial changes in the method of paying for physician services will need to be considered during the next Congress. The Committee has provided funds to establish the Commission and support its work for its first year so that it can properly advise the 100th Congress and the Administration on these issues.

The Commission consists of 11 members who were appointed by the Director of the Office of Technology Assessment on June 6, 1986. They will be supported by a staff of not to exceed 25 full-time-equivalents. The Commission is expected to meet at least six times per year and will be headquartered in Washington, D.C. Its administrative procedures and structures are expected to be similar to

the Prospective Payment Assessment Commission which provides similar advise with respect to hospital payments. It is expected that these two Commissions will work closely and will share resources including staff as the two chairmen determine to be appropriate.

While the Committee received a request for $2,000,000 from the new chairman of the Commission on June 19, 1986, less than two weeks after he was appointed, the level recommended seems adequate based on the experience of PROPAC and other similar sized commissions. The $1,000,000 provided does not include funds for a large-scale research program. While certain analytical studies will need to be carried out, the Committee does not see this organization as a research center. It is a panel of experts who have the knowledge to review existing data and who can provide a collective judgement regarding the policy choices which must be made. While no limit has been established on the amount of funds which can be spent on research, the Committee believes that no research should be funded prior to the approval of a formal research plan by the full Commission. This plan should be submitted to the House and Senate Appropriations Committees.

Lastly, the Committee in approving funding for the Commission, has decided that the Physician Payment Review Commission should be viewed as a temporary agency which should be supported for not to exceed two years to advise the next Congress on legislative changes which may be necessary. The Committee does not see the need at this time for a permanent Commission to oversee physician payments under Medicare.

## Railroad Retirement Board

### DUAL BENEFITS PAYMENTS ACCOUNT

The bill includes $380,000,000, an increase of $124,120,000 above the amount requested in the budget, and an increase of $4,865,000 over the amount available for 1986. These funds will be used to pay the full amount of dual benefits to those retirees receiving both railroad retirement and social security benefits. Entitlement to dual benefits was eliminated in 1974, but people eligible at that time had their future benefits protected. The Railroad Retirement Act of 1974 mandated that these benefits be paid from general revenues. The Committee has rejected the President's budget proposal that would have required the rail trust fund to pay 25 percent of these costs. The amount in the bill provides for full restoration of the amount sequestered in 1986 pursuant to Gramm-Rudman.

### FEDERAL PAYMENT TO THE RAILROAD RETIREMENT ACCOUNT

The bill includes $3,100,000, the amount requested in the budget, and an increase of $900,000 above the amount available for 1986. The amount provided is to reimburse the Railroad Retirement Account for checks issued but uncashed after a six-month time period. Such action is authorized by the Railroad Retirement Solvency Act of 1983 (P.L. 98–76).

### LIMITATION ON ADMINISTRATION

The bill includes $56,634,000, an increase of $1,020,000 over the budget request and an increase of $3,595,000 over the amount available for 1986. This account is a limitation on the amount in the Railroad Retirement Account which may be used by the Board for administrative expenses. The bill provides for continuation in 1987 of the current staffing level of 1,578 full-time equivalents; the budget proposed a reduction of 55. This includes the Inspector General which is funded in a separate account this year.

The Committee has included bill language, similar to last year's, specifying that full-time equivalent staffing shall be not less than 1,217 in the retirement limitation. The bill includes $1,020,000 more than requested for personnel compensation and benefits. There are increases over 1986 included for automation equipment, data processing costs, printing and supplies.

The bill also includes language providing for the apportionment of $14,694,000 in fiscal year 1987 for the Railroad Unemployment Insurance Limitation account. This account does not require Congressional action each year, but the Committee felt it necessary to include this language to ensure that sufficient funds are made available to the Board to support the staffing levels recommended by the Committee. The amount to be apportioned, $14,694,000, is an increase of $775,000 over the amount proposed in the budget and a decrease of $1,084,000 below the amount available for 1986. The additional amount specified by the Committee is for personnel compensation and benefits to maintain staffing levels. The bill language specifies that full-time equivalent staffing shall not be less than 336 in the unemployment limitation.

### LIMITATION ON REVIEW ACTIVITY

The bill includes $1,167,000, the amount of the budget request. This is a new account established to fund the Board's Office of Inspector General. This amount is to be provided from the railroad retirement and railroad unemployment insurance trust funds. The Committee has approved a staffing level of 25 full-time equivalents as requested in the budget. The Inspector General conducts and supervises audits and investigations of programs and operations of the Board.

## SOLDIERS' AND AIRMEN'S HOME

### OPERATION AND MAINTENANCE

The bill includes authority to expend $34,022,000 from the Soldiers' and Airmen's Home Permanent Fund, the amount requested in the budget, and an increase of $826,000 over the amount available for 1986 for this account. The Committee has approved the requested number of 1,032 full time equivalent staff for the Home, an increase of 33 over 1986.

The bill includes increases over 1986 for such items as personnel compensation and benefits, communications, utilities, equipment, and supplies and materials.

### CAPITAL OUTLAY

The bill includes authority to expend $15,000,000 from the Soldiers' and Airmen's Home Permanent Fund, an increase of $10,515,000 over the budget request, and $1,886,000 over the 1986 level. This level of funding will allow the Home sufficient funds to proceed in a timely fashion with its 10-year construction and renovation plan. Funds are provided for the completion of detailed plans for facility renovation, to continue construction of a new dining hall in the health care facility, to replace the streetlighting systems, for the Scott Dormitory air conditioning and renovation project and to generally continue the carrying out of the 10-year plan.

## UNITED STATES INSTITUTE OF PEACE

The Committee has deferred consideration of funding for the Peace Institute due to lack of authorizing legislation.

## HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have little overall inflationary impact on prices and costs in the operation of the national economy.

### COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

(Dollars in millions)

| | Sec. 302(b) | | This bill | |
|---|---|---|---|---|
| | Discretionary | Mandatory | Discretionary | Mandatory |
| Budget Authority | $35,551 | $78,295 | ([1]) $24,917 | $77,655 |
| Outlays | 19,299 | 98,484 | 15,119 | 97,852 |
| Direct loans | 112 | 1,260 | 60 | |
| Primary Guarantees | | | | |

[1] The Committee has deferred consideration of all programs for which no authorization has been enacted for fiscal year 1387.

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following

information was provided to the Committee by the Congressional Budget Office:

### Five-Year Projections

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

| | |
|---|---|
| Budget authority | $90,897,951,000 |
| Outlays: | |
| Fiscal year 1987 | 73,046,183,000 |
| Fiscal year 1988 | 14,342,893,000 |
| Fiscal year 1989 | 3,187,911,000 |
| Fiscal year 1990 | 298,345,000 |
| Fiscal year 1991 and future years | 22,619,000 |

### Financial Assistance to State and Local Governments

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the financial assistance to State and local government is as follows:

| | |
|---|---|
| New budget authority | $45,225,239,000 |
| Fiscal year 1987 outlays resulting therefrom | $34,119,861,000 |

### Compliance With Rule XIII—Clause 3

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

The accompanying bill would amend section 402(c), clause (9) of the Housing Act of 1950, as follows:

> (9) for the prepayment in full of a loan under this title, provide a discount in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan, if (A) the prepayment is made from nonfederal sources, (B) the Secretary has received satisfactory assurances that the housing or other educational facilities financed with the loan will continue to be used for purposes related to the educational institution for the original term of the loan, (C) the prepayment is made prior to [October 1, 1986] *October 1, 1987* and.

### Transfer of Funds

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following table is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by Department and agency, the appropriations affected by such transfers.

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

| Account to which transfer is to be made | Amount | Account from which transfer is to be made | Amount |
|---|---|---|---|
| Department of Labor: | | | |
| Employment Standards Administration: | | U.S. Postal Service: | |
| Special Benefits | Indefinite | Postal Service Fund | Indefinite |
| | | Department of Labor: | |
| | | Employment Standards Administration: | |
| Salaries and expenses | $25,826,000 | Black lung disability trust fund | $25,826,000 |
| Departmental Management: | | | |
| Salaries and expenses | 21,413,000 | Black lung disability trust fund | 21,413,000 |
| Office of Inspector General | 612,000 | Black lung disability trust fund | 612,000 |

## Changes in Application of Existing Law

Pursuant to clause 3, rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which may directly or indirectly change the application of existing law.

1. In some cases, the Committee has recommended appropriations which are less than the maximum amounts authorized for the various programs which are funded in the bill. Whether these actions constitute a change in the application of existing laws is subject to individual interpretation, but the Committee felt that this fact should be mentioned.

2. The bill provides that appropriations shall remain available for more than one year for some programs for which the basic authorizing legislation does not presently authorize such extended availability.

3. In various places in the bill, the Committee has earmarked funds within appropriation accounts in order to fund specific sections of a law. Whether these actions constitute a change in the application of existing law is subject to individual interpretation, but the Committee felt that this fact should be mentioned.

4. On page 3 of the bill is language providing for the reallocation of summer youth employment funds.

5. On page 6 of the bill is language allowing the Labor Department to withhold from State allotments funds available for penalty mail under the Wagner-Peyser Act.

6. On page 10 is language establishing a maximum amount available for grants to States under the Occupational Safety and Health Act, which grants shall be no less than 50 percent of the costs of State programs required to be incurred under plans approved by the Secretary under section 18(b) of the Act.

7. On pages 10–14 of the bill are several provisos that (1) exempt farms employing 10 or fewer people from the Occupational Safety and Health Act, except those farms having a temporary labor camp (2) preclude the assessment of civil penalties for first-instance nonserious violations of the Occupational Safety and Health Act, unless 10 or more violations are cited during an inspection (3) prohibit the promulgation or enforcement of any regulation under the Occupational Safety and Health Act which restricts work activity in any area by reason of the potential for recreational hunting, fishing, or sports shooting in the area (4) prohibit fines against

small employers in cases where the employer has previously requested on-site consultation and is making a good-faith effort to correct the violations (5) prohibit State plan monitoring visits by the Secretary of Labor if the workplace has been inspected by the State within the past 6 months, except in certain circumstances (6) prohibit certain enforcement activities on the Outer Continental Shelf and (7) exempt employers of 10 or fewer from routine safety inspections under certain circumstances.

8. On page 15 of the bill is language allowing the Secretary of Labor to use any funds available to the Department to provide for the costs of mine rescue and survival operations in the event of major disasters.

9. On page 15 of the bill is a proviso prohibiting the carrying out of sections 104(g)(1) or 115 of the Federal Mine Safety and Health Act with respect to shell dredging, or with respect to any sand, gravel, surface limestone, surface clay, or colloidal phosphate mine.

10. On page 27 of the bill is a provision that in the administration of title XIX of the Social Security Act, payments to a State for any quarter in the period beginning July 1 of the prior year and ending September 30 of the current year may be made with respect to a State plan or plan amendment in effect during any such quarter, if submitted in, or prior to, such quarter and approved in that or any such subsequent quarter.

11. On pages 28–29 is language providing that monthly black lung benefits shall be rounded to the nearest dollar as is currently done with other benefits paid by the Social Security Administration.

12. On page 31 is language providing that travel expense payments under section 1631(h) of the Social Security Act may be made only when travel of more than 75 miles is required.

13. On page 33 is language limiting the amount available for transfer to the Secretary of Labor and to which the States may become entitled under section 403(d) of the Social Security Act.

14. On pages 40–41 are several provisions specifying payment percentages for the impact aid program.

15. On page 54 of the bill is a provision requiring that appropriations to the NLRB shall not be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual non-profit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

16. On page 57 of the bill is a provision requiring that appropriations to the Railroad Retirement Board shall not be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended.

17. Sections 101 to 104, 201 to 211, 301 to 308, and Title V of the bill contain a number of general provisions, most of which have been carried in previous appropriations acts, which place limitations on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

DEFINITION OF PROGRAM, PROJECT AND ACTIVITY

During fiscal year 1987, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Labor, Health and Human Services, and Education and Related Agencies Subcommittee. The term "program, project and activity" shall include the most specific level of budget items identified in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1987, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the committee of conference and the tables inserted in the Congressional Record on the days when the bill or conference report is considered in the House.

# COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1986 AND THE BUDGET ESTIMATES FOR 1987

## PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL AND TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill.]

| Agency and item | New budget (obligational) authority, 1986 | New budget (obligational) authority, 1987 | Fiscal year 1987 compared with fiscal year 1986 |
|---|---|---|---|
| FEDERAL FUNDS | | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Health Care Financing Administration: | | | |
| Grants to States for Medicaid | 5,980,000,000 | 6,500,000,000 | +520,000,000 |
| Payments to health care trust funds | 419,000,000 | 422,000,000 | +3,000,000 |
| Social Security Administration: | | | |
| Payments to Social Security trust funds | 5,400,000,000 | 5,862,000,000 | +462,000,000 |
| Special benefits for disabled coal miners | 272,000,000 | 270,000,000 | -2,000,000 |
| Supplemental security income program | 2,345,769,000 | 2,339,250,000 | -6,519,000 |
| Assistance payments program | 2,095,000,000 | 2,193,754,000 | +98,754,000 |
| Child support enforcement | 160,000,000 | 170,750,000 | +10,750,000 |
| Payments to states from receipts for child support | 450,000 | 450,000 | --- |
| Total, Social Security Administration | 10,273,219,000 | 10,836,204,000 | +562,985,000 |
| Total, Department of Health and Human Services | 16,672,219,000 | 17,758,204,000 | +1,085,985,000 |
| DEPARTMENT OF EDUCATION AND SPECIAL INSTITUTIONS | | | |
| Payments to State for promotion of vocational education (act of Feb. 23, 1917) | 7,148,000 | 7,148,000 | --- |

| | | | |
|---|---|---|---|
| RAILROAD RETIREMENT BOARD | | | |
| Federal Payments to Railroad Retirement Accounts..... | 3,313,000,000 | 2,639,000,000 | -674,000,000 |
| Total, permanent new budget (obligational) authority, Federal funds..... | 19,992,367,000 | 20,404,352,000 | +411,985,000 |
| TRUST FUNDS | | | |
| DEPARTMENT OF LABOR | | | |
| Employment and Training Administration: | | | |
| Unemployment trust funds..... | 25,400,000,000 | 25,300,000,000 | -100,000,000 |
| Special workers' compensation expenses..... | 78,000,000 | 87,000,000 | +9,000,000 |
| Gifts and bequests, National Commission for Manpower Policy..... | 10,000 | 10,000 | --- |
| Total, Department of Labor..... | 25,478,010,000 | 25,387,010,000 | -91,000,000 |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Assistant Secretary for Health: Public Health Service trust funds..... | 8,124,000 | 8,124,000 | --- |
| Health Care Financing Administration: | | | |
| Federal hospital insurance trust fund..... | 56,722,000,000 | 62,583,000,000 | +5,861,000,000 |
| Federal supplementary medical insurance trust fund | 24,948,000,000 | 27,414,000,000 | +2,466,000,000 |
| Social Security Administration: | | | |
| Federal old-age survivors insurance trust fund.... | 194,655,929,000 | 207,996,471,000 | +13,340,542,000 |
| Federal disability insurance trust fund..... | 13,842,000,000 | 20,217,526,000 | +375,526,000 |
| Total, Department of Health and Human Services.. | 296,176,053,000 | 318,219,121,000 | +22,043,068,000 |
| DEPARTMENT OF EDUCATION AND SPECIAL INSTITUTIONS | | | |
| Promotion of education for the blind..... | 10,000 | 10,000 | --- |

# COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1986 AND THE BUDGET ESTIMATES FOR 1987

## PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL AND TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill.]

| Agency and item | New budget (obligational) authority, 1986 | New budget (obligational) authority, 1987 | Fiscal year 1987 compared with fiscal year 1986 |
|---|---|---|---|
| FEDERAL FUNDS | | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Health Care Financing Administration: | | | |
| Grants to States for Medicaid | 5,980,000,000 | 6,500,000,000 | +520,000,000 |
| Payments to health care trust funds | 419,000,000 | 422,000,000 | +3,000,000 |
| Social Security Administration: | | | |
| Payments to Social Security trust funds | 5,400,000,000 | 5,862,000,000 | +462,000,000 |
| Special benefits for disabled coal miners | 272,000,000 | 270,000,000 | -2,000,000 |
| Supplemental security income program | 2,345,769,000 | 2,339,250,000 | -6,519,000 |
| Assistance payments program | 2,095,000,000 | 2,193,754,000 | +98,754,000 |
| Child support enforcement | 160,000,000 | 170,750,000 | +10,750,000 |
| Payments to states from receipts for child support | 450,000 | 450,000 | --- |
| Total, Social Security Administration | 10,273,219,000 | 10,836,204,000 | +562,985,000 |
| Total, Department of Health and Human Services | 16,672,219,000 | 17,758,204,000 | +1,085,985,000 |
| DEPARTMENT OF EDUCATION AND SPECIAL INSTITUTIONS | | | |
| Payments to State for promotion of vocational education (act of Feb. 23, 1917) | 7,148,000 | 7,148,000 | --- |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1986 AND THE BUDGET ESTIMATES FOR 1987—Continued

### PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL AND TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill.]

| Agency and item | New budget (obligational) authority, 1986 | New budget (obligational) authority, 1987 | Fiscal year 1987 compared with fiscal year 1986 |
|---|---|---|---|
| RAILROAD RETIREMENT BOARD | | | |
| Railroad retirement account | 3,749,000,000 | 3,195,000,000 | -554,000,000 |
| Railroad Social Security Equivalent Benefit Account | 6,268,000,000 | 6,544,000,000 | +276,000,000 |
| Total, Railroad Retirement Board | 10,017,000,000 | 9,739,000,000 | -278,000,000 |
| SOLDIERS' AND AIRMEN'S HOME | | | |
| Payment of claims | 5,000 | 5,000 | --- |
| Total, permanent new budget (obligational) authority, Trust funds | 331,671,078,000 | 353,345,146,000 | +21,674,068,000 |

# COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| TITLE I - DEPARTMENT OF LABOR | | | | | |
| Employment and Training Administration | | | | | |
| Program administration | 64,623,000 | 62,959,000 | 67,363,000 | +2,740,000 | +4,404,000 |
| (Limitation on trust fund transfer) | (40,717,000) | (49,763,000) | (44,763,000) | (+4,046,000) | (-5,000,000) |
| Training and employment services | 3,336,363,000 | 2,909,608,000 | 3,543,121,000 | +206,758,000 | +633,513,000 |
| Community service employment for older Americans | 312,002,000 | 326,000,000 | 326,000,000 | +13,998,000 | --- |
| Federal unemployment benefits and allowances | 10,000,000 | 4,000,000 | 118,000,000 | +108,000,000 | +114,000,000 |
| State unemployment insurance and employment service operations | 22,585,000 | 23,400,000 | 27,300,000 | +4,715,000 | +3,900,000 |
| (Limitation on trust fund transfer) | (2,350,622,000) | (2,485,933,000) | (2,485,933,000) | (+135,311,000) | --- |
| Advances to the Unemployment Trust Fund and other funds | 464,785,000 | 413,000,000 | --- | -464,785,000 | -413,000,000 |
| Total, Employment and Training Administration | 4,210,358,000 | 3,738,967,000 | 4,081,784,000 | -128,574,000 | +342,817,000 |
| Labor-Management Services Administration | | | | | |
| Salaries and expenses | 54,831,000 | 62,275,000 | 62,275,000 | +7,444,000 | --- |
| Pension Benefit Guaranty Corporation | | | | | |
| Pension Benefit Guaranty Corporation fund (limitation on trust funds) | (31,345,000) | (36,874,000) | (36,874,000) | (+5,529,000) | --- |
| Employment Standards Administration | | | | | |
| Salaries and expenses | 181,160,000 | 192,709,000 | 193,709,000 | +12,549,000 | +1,000,000 |
| (Limitation on trust fund transfer) | (389,000) | (441,000) | (441,000) | (+52,000) | --- |
| Special benefits | 236,657,000 | 263,600,000 | 263,600,000 | +26,943,000 | --- |

| | | | | | |
|---|---|---|---|---|---|
| Black Lung Disability Trust Fund: | | | | | |
| Definite | 981,703,000 | 958,689,000 | 234,538,000 | -747,165,000 | -724,151,000 |
| Indefinite | 756,000 | 756,000 | 756,000 | --- | --- |
| Total, Black Lung Disability Trust Fund | 982,459,000 | 959,445,000 | 235,294,000 | -747,165,000 | -724,151,000 |
| Total, Employment Standards Administration | 1,400,276,000 | 1,415,754,000 | 692,603,000 | -707,673,000 | -723,151,000 |
| Occupational Safety and Health Administration | | | | | |
| Salaries and expenses | 207,754,000 | 225,811,000 | 225,811,000 | +18,057,000 | --- |
| Mine Safety and Health Administration | | | | | |
| Salaries and expenses | 144,724,000 | 156,480,000 | 156,480,000 | +11,756,000 | --- |
| Bureau of Labor Statistics | | | | | |
| Salaries and expenses | 151,817,000 | 159,390,000 | 166,589,000 | +14,772,000 | +7,199,000 |
| (Limitation on trust fund transfer) | (34,748,000) | (36,506,000) | (37,872,000) | (+3,124,000) | (+1,366,000) |
| Departmental Management | | | | | |
| Salaries and expenses | 97,037,000 | 103,852,000 | 103,852,000 | +6,815,000 | --- |
| (Limitation on trust fund transfer) | (241,000) | (263,000) | (263,000) | (+22,000) | --- |
| Assistant Secretary for Veterans Employment and Training (limitation on trust fund transfer) | (127,257,000) | (131,525,000) | (139,510,000) | (+12,253,000) | (+7,985,000) |
| Office of the Inspector General | 36,810,000 | 34,833,000 | 34,833,000 | -1,977,000 | --- |
| (Limitation on trust fund transfer) | (3,092,000) | (6,040,000) | (6,040,000) | (+2,948,000) | --- |
| Special foreign currency program | 45,000 | 67,000 | 67,000 | +22,000 | --- |
| Total, Departmental Management | 133,892,000 | 138,752,000 | 138,752,000 | +4,860,000 | --- |
| Total, title I, Department of Labor: | | | | | |
| New budget (obligational) authority | 6,303,652,000 | 5,897,429,000 | 5,524,294,000 | -779,358,000 | -373,135,000 |
| Definite | (6,302,896,000) | (5,896,673,000) | (5,523,538,000) | (-779,358,000) | (-373,135,000) |
| Indefinite | (756,000) | (756,000) | (756,000) | --- | --- |
| (Limitation on trust fund transfers) | (2,588,411,000) | (2,747,345,000) | (2,751,696,000) | (+163,285,000) | (+4,351,000) |
| TITLE II - DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | |
| Health Resources and Services Administration | | | | | |
| Health resources and services | 1,255,566,000 | 973,174,000 | 1,267,068,000 | +11,502,000 | +293,894,000 |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| (Unauthorized) | (194,370,000) | (189,496,000) | DEFER | DEFER | DEFER |
| (Limitation on direct loans) | (957,000) | (1,000,000) | DEFER | DEFER | DEFER |
| Medical facilities guarantee and loan fund: | | | | | |
| Federal interest subsidies for medical facilities | 25,000,000 | 20,000,000 | 20,000,000 | -5,000,000 | --- |
| Health Maintenance Organization Loan and Loan Guarantee Fund: | | | | | |
| (Limitation on direct loans) | (700,000) | --- | --- | (-700,000) | --- |
| Total, Health Resources and Services Administration | 1,280,566,000 | 993,174,000 | 1,287,068,000 | +6,502,000 | +293,894,000 |
| **Centers for Disease Control** | | | | | |
| Disease control | 441,100,000 | 425,255,000 | 518,254,000 | +77,154,000 | +92,999,000 |
| **National Institutes of Health** | | | | | |
| National Cancer Institute | 1,176,561,000 | 1,158,089,000 | 1,346,751,000 | +170,190,000 | +188,662,000 |
| National Heart, Lung, and Blood Institute | 810,905,000 | 785,697,000 | 921,410,000 | +110,505,000 | +135,713,000 |
| National Institute of Dental Research | 98,111,000 | 96,482,000 | 116,275,000 | +18,164,000 | +19,793,000 |
| National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases | 433,519,000 | 418,971,000 | 515,455,000 | +81,936,000 | +96,484,000 |
| National Institute of Arthritis and Musculoskeletal and Skin Diseases | 110,723,000 | 106,733,000 | 140,225,000 | +29,502,000 | +33,492,000 |
| National Institute of Neurological and Communicative Disorders and Stroke | 413,024,000 | 399,351,000 | 491,085,000 | +78,061,000 | +91,734,000 |
| National Institute of Allergy and Infectious Diseases | 340,840,000 | 330,551,000 | 403,853,000 | +63,013,000 | +73,302,000 |
| National Institute of General Medical Sciences | 492,393,000 | 471,533,000 | 576,562,000 | +84,169,000 | +105,029,000 |
| National Institute of Child Health and Human Development | 307,743,000 | 309,119,000 | 368,509,000 | +60,766,000 | +59,390,000 |

| | | | | | |
|---|---|---|---|---|---|
| National Eye Institute | 186,508,000 | 179,201,000 | 219,091,000 | +32,583,000 | +39,890,000 |
| National Institute of Environmental Health Sciences | 188,887,000 | 187,995,000 | 209,872,000 | +20,985,000 | +21,877,000 |
| National Institute on Aging | 149,623,000 | 145,829,000 | 174,279,000 | +24,656,000 | +28,450,000 |
| Research resources | 290,752,000 | 234,192,000 | 317,826,000 | +27,074,000 | +83,634,000 |
| John E. Fogarty International Center | 10,893,000 | 11,305,000 | 11,443,000 | +550,000 | +138,000 |
| National Library of Medicine | 55,273,000 | 56,408,000 | 61,588,000 | +6,315,000 | +5,180,000 |
| Office of the Director | 179,643,000 | 179,691,000 | 246,651,000 | +67,008,000 | +66,960,000 |
| Buildings and facilities | 14,257,000 | 8,000,000 | 31,900,000 | +17,643,000 | +23,900,000 |
| Total, National Institutes of Health | 5,259,655,000 | 5,079,147,000 | 6,152,775,000 | +893,120,000 | +1,073,628,000 |
| Alcohol, Drug Abuse, and Mental Health Administration | | | | | |
| Alcohol, drug abuse, and mental health | 806,498,000 | 781,950,000 | 893,434,000 | +86,936,000 | +111,484,000 |
| (Unauthorized) | (119,609,000) | (124,023,000) | DEFER | DEFER | DEFER |
| Federal subsidy for Saint Elizabeths Hospital | 41,739,000 | 36,353,000 | 36,353,000 | -5,386,000 | --- |
| Total, Alcohol, Drug Abuse, and Mental Health Administration | 848,237,000 | 818,303,000 | 929,787,000 | +81,550,000 | +111,484,000 |
| Office of Assistant Secretary for Health | | | | | |
| Public Health Service management | 85,242,000 | 96,688,000 | 99,271,000 | +14,029,000 | +2,583,000 |
| (Unauthorized) | (13,978,000) | (14,722,000) | DEFER | DEFER | DEFER |
| (Limitation on trust fund transfer) | (1,050,000) | (1,050,000) | (1,050,000) | --- | --- |
| Retirement pay and medical benefits for commissioned officers (indefinite) | 80,806,000 | 91,282,000 | 86,282,000 | +5,476,000 | -5,000,000 |
| Total, Assistant Secretary for Health | 166,048,000 | 187,970,000 | 185,553,000 | +19,505,000 | -2,417,000 |
| Total, Public Health Service | 7,995,606,000 | 7,503,849,000 | 9,073,437,000 | +1,077,831,000 | +1,569,588,000 |
| Health Care Financing Administration | | | | | |
| Grants to States for Medicaid | 23,898,000,000 | 24,708,122,000 | 25,880,359,000 | +1,982,359,000 | +1,172,237,000 |
| Appropriation available from prior year advance | -5,980,000,000 | -6,500,000,000 | -6,500,000,000 | -520,000,000 | --- |
| Indefinite such sums | 542,484,000 | --- | --- | -542,484,000 | --- |
| Total, adjusted appropriation | 18,460,484,000 | 18,208,122,000 | 19,380,359,000 | +919,875,000 | +1,172,237,000 |
| Advance appropriation, fiscal year 1988 | 6,500,000,000 | 7,100,000,000 | 7,100,000,000 | +600,000,000 | --- |
| Total, Grants to States for Medicaid (net) | 24,960,484,000 | 25,308,122,000 | 26,480,359,000 | +1,519,875,000 | +1,172,237,000 |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| Payments to health care trust funds | 18,854,000,000 | 20,357,000,000 | 20,826,000,000 | +1,972,000,000 | +469,000,000 |
| Program management | 85,470,000 | 84,533,000 | 84,533,000 | -937,000 | --- |
| (Limitation on trust fund transfer) | (1,140,196,000) | (1,213,944,000) | (1,216,494,000) | (+76,298,000) | (+2,550,000) |
| Total, Health Care Financing Administration (Federal funds): | | | | | |
| New budget (obligational) authority (net) | 43,899,954,000 | 45,749,655,000 | 47,390,892,000 | +3,490,938,000 | +1,641,237,000 |
| Appropriations, 1987 | (37,399,954,000) | (38,649,655,000) | (40,290,892,000) | (+2,890,938,000) | (+1,641,237,000) |
| Appropriations, 1988 | (6,500,000,000) | (7,100,000,000) | (7,100,000,000) | (+600,000,000) | --- |
| (Limitation on trust fund transfer) | (1,140,196,000) | (1,213,944,000) | (1,216,494,000) | (+76,298,000) | (+2,550,000) |
| **Social Security Administration** | | | | | |
| Payments to social security trust funds | 497,008,000 | 500,555,000 | 500,555,000 | +3,547,000 | --- |
| Special benefits for disabled coal miners: | | | | | |
| Direct appropriation | 997,628,000 | 963,437,000 | 963,437,000 | -34,191,000 | --- |
| Appropriation available from prior year advance | -270,000,000 | -270,000,000 | -270,000,000 | --- | --- |
| Indefinite such sums | 12,341,000 | --- | --- | -12,341,000 | --- |
| Appropriation available in prior year | -11,730,000 | --- | --- | +11,730,000 | --- |
| Total, fiscal year 1987 appropriation current request | 728,239,000 | 693,437,000 | 693,437,000 | -34,802,000 | --- |
| Advance appropriation for fiscal year 1988 | 270,000,000 | 252,450,000 | 252,450,000 | -17,550,000 | --- |
| Total, Special Benefits for Disabled Coal Miners (net) | 998,239,000 | 945,887,000 | 945,887,000 | -52,352,000 | --- |

| | | | | | |
|---|---|---|---|---|---|
| Supplemental security income program: | | | | | |
| Direct appropriation | 10,025,189,000 | 10,569,318,000 | 10,569,318,000 | +544,129,000 | --- |
| Appropriation available from prior year advance | -2,345,769,000 | -2,339,250,000 | -2,339,250,000 | +6,519,000 | --- |
| Indefinite such sums | 253,345,000 | --- | --- | -253,545,000 | --- |
| Appropriation available in prior year | -409,194,000 | --- | --- | +409,194,000 | --- |
| Total, fiscal year 1987 appropriation current request | 7,523,771,000 | 8,230,068,000 | 8,230,068,000 | +706,297,000 | --- |
| Advance appropriation for fiscal year 1988 | 2,339,250,000 | 2,765,000,000 | 2,765,000,000 | +425,750,000 | --- |
| Total, Supplemental Security Income Program (net) | 9,863,021,000 | 10,995,068,000 | 10,995,068,000 | +1,132,047,000 | --- |
| Assistance payments program: | | | | | |
| Direct appropriation | 8,952,798,000 | 8,203,232,000 | 9,217,174,000 | +264,376,000 | +1,013,942,000 |
| Appropriation available from prior year advance | -2,095,000,000 | -2,193,754,000 | -2,193,754,000 | -98,754,000 | --- |
| Indefinite such sums | 950,486,000 | --- | --- | -950,486,000 | --- |
| Appropriation available in prior year | -908,910,000 | --- | --- | +908,910,000 | --- |
| Total, fiscal year 1987 appropriation current request | 6,899,374,000 | 6,009,478,000 | 7,023,420,000 | +124,046,000 | +1,013,942,000 |
| Advance appropriation for fiscal year 1988 | 2,193,754,000 | 2,293,615,000 | 2,293,615,000 | +99,861,000 | --- |
| Total, Assistance Payments Program (net) | 9,093,128,000 | 8,303,093,000 | 9,317,035,000 | +223,907,000 | +1,013,942,000 |
| Low income home energy assistance (unauthorized) | (2,009,700,000) | (2,100,000,000) | DEFER | DEFER | DEFER |
| Refugee and entrant assistance (unauthorized) | (409,363,000) | (373,998,000) | DEFER | DEFER | DEFER |
| Limitation on administrative expenses: Trust funds | (3,847,863,000) | (4,011,373,000) | (4,011,373,000) | (+163,510,000) | --- |
| Total, Social Security Administration: | | | | | |
| New budget (obligational) authority | 20,451,396,000 | 20,744,603,000 | 21,758,545,000 | +1,307,149,000 | +1,013,942,000 |
| Appropriations, 1987 | (15,648,392,000) | (15,433,538,000) | (16,447,480,000) | (+799,088,000) | (+1,013,942,000) |
| Appropriations, 1988 | (4,803,004,000) | (5,311,065,000) | (5,311,065,000) | (+508,061,000) | --- |
| (Limitation on administrative expenses) | (3,847,863,000) | (4,011,373,000) | (4,011,373,000) | (+163,510,000) | --- |
| Child Support Enforcement | | | | | |
| Direct appropriation | 559,356,000 | 770,383,000 | 770,383,000 | +211,027,000 | --- |
| Appropriation available from prior year advance | -160,000,000 | -170,750,000 | -170,750,000 | -10,750,000 | --- |
| Indefinite such sums | 26,729,000 | --- | --- | -26,729,000 | --- |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| Total, fiscal year 1987 appropriation current request | 426,085,000 | 599,633,000 | 599,633,000 | +173,548,000 | --- |
| Advance appropriation for fiscal year 1988 | 170,750,000 | 187,000,000 | 187,000,000 | +16,250,000 | --- |
| Total, Child Support Enforcement (net) | 596,835,000 | 786,633,000 | 786,633,000 | +189,798,000 | --- |
| **Human Development Services** | | | | | |
| Social Services Block Grant (Title XX) | 2,583,900,000 | 2,700,000,000 | 2,700,000,000 | +116,100,000 | --- |
| Human Development Services | 856,189,000 | 876,019,000 | 925,017,000 | +68,828,000 | +48,998,000 |
| (Unauthorized) | (1,072,625,000) | (1,102,359,000) | DEFER | DEFER | DEFER |
| Family Social Services: | | | | | |
| Discretionary activities | 217,714,000 | 213,623,000 | 247,223,000 | +29,509,000 | +33,600,000 |
| Entitlement activities | 542,971,000 | 604,214,000 | 758,000,000 | +215,029,000 | +153,786,000 |
| Total, Family Social Services | 760,685,000 | 817,837,000 | 1,005,223,000 | +244,538,000 | +187,386,000 |
| Work incentives | 210,540,000 | --- | 200,000,000 | -10,540,000 | +200,000,000 |
| Total, Human Development Services | 4,411,314,000 | 4,393,856,000 | 4,830,240,000 | +418,926,000 | +436,384,000 |
| **Office of Community Services** | | | | | |
| Community services block grant (unauthorized) | (355,877,000) | (3,612,000) | DEFER | DEFER | DEFER |

| | | | | | |
|---|---|---|---|---|---|
| **Departmental Management** | | | | | |
| General departmental management | 138,078,000 | 108,319,000 | 108,319,000 | -29,759,000 | --- |
| (Limitation on trust fund transfer) | (7,656,000) | (27,500,000) | (27,500,000) | (+19,844,000) | --- |
| Office of the Inspector General | 40,128,000 | 29,716,000 | 30,016,000 | -10,112,000 | +300,000 |
| (Limitation on trust fund transfer) | (28,710,000) | (40,000,000) | (40,000,000) | (+11,290,000) | --- |
| Office for Civil Rights | 15,312,000 | 15,285,000 | 15,285,000 | -27,000 | --- |
| (Limitation on trust fund transfer) | (3,828,000) | (4,000,000) | (4,000,000) | (+172,000) | --- |
| Policy research | 6,220,000 | 5,000,000 | 8,200,000 | +1,980,000 | +3,200,000 |
| Total, Departmental Management | 199,738,000 | 158,320,000 | 161,820,000 | -37,918,000 | +3,500,000 |
| (Limitation on trust fund transfer) | (40,194,000) | (71,500,000) | (71,500,000) | (+31,306,000) | --- |
| Total, title II, Department of Health and Human Services: | | | | | |
| New budget (obligational) authority (net) | 77,554,843,000 | 79,336,916,000 | 84,001,567,000 | +6,446,724,000 | +4,664,651,000 |
| Appropriations, 1987 | (66,081,089,000) | (66,738,851,000) | (71,403,502,000) | (+5,322,413,000) | (+4,664,651,000) |
| Appropriations, 1988 | (11,473,754,000) | (12,598,065,000) | (12,598,065,000) | (+1,124,311,000) | --- |
| (Trust fund limitations) | (3,847,863,000) | (4,011,373,000) | (4,011,373,000) | (+163,510,000) | --- |
| (Limitation on trust fund transfers) | (1,181,440,000) | (1,286,494,000) | (1,289,044,000) | (+107,604,000) | (+2,550,000) |
| (Limitation on direct loans) | (700,000) | --- | --- | (-700,000) | --- |
| **TITLE III - DEPARTMENT OF EDUCATION** | | | | | |
| **Office of Elementary and Secondary Education** | | | | | |
| Compensatory education for the disadvantaged | 3,529,572,000 | 3,688,163,000 | 3,999,163,000 | +469,591,000 | +311,000,000 |
| (Unauthorized) | (7,177,000) | --- | DEFER | DEFER | DEFER |
| School assistance in federally affected areas (Impact aid) | 682,722,000 | 548,000,000 | 700,000,000 | +17,278,000 | +152,000,000 |
| Special programs | 667,612,000 | 603,909,000 | 699,943,000 | +32,331,000 | +96,034,000 |
| (Unauthorized) | (7,177,000) | (75,000,000) | DEFER | DEFER | DEFER |
| Bilingual education | 165,211,000 | 142,951,000 | 179,637,000 | +14,426,000 | +36,686,000 |
| Total, Office of Elementary and Secondary Education | 5,045,117,000 | 4,983,023,000 | 5,578,743,000 | +533,626,000 | +595,720,000 |
| **Office of Special Education and Rehabilitation Services** | | | | | |
| Education for the handicapped | 1,349,534,000 | 1,303,100,000 | 1,494,420,000 | +144,886,000 | +191,320,000 |
| Rehabilitation services and handicapped research | 1,149,263,000 | 1,104,200,000 | 1,152,656,000 | +3,393,000 | +48,456,000 |
| (Unauthorized) | (160,173,000) | (121,200,000) | DEFER | DEFER | DEFER |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| Total, Office of Special Education and Rehabilitation Services | 2,498,797,000 | 2,407,300,000 | 2,647,076,000 | +148,279,000 | +239,776,000 |
| Office of Vocational and Adult Education | | | | | |
| Vocational and adult education | 900,324,000 | 504,974,000 | 1,016,433,000 | +116,109,000 | +511,459,000 |
| Office of Postsecondary Education | | | | | |
| Student financial assistance | (4,821,405,000) | (3,812,568,000) | DEFER | DEFER | DEFER |
| Guaranteed student loans | 3,259,975,000 | 3,460,250,000 | 3,394,000,000 | +134,025,000 | -66,250,000 |
| Higher education | 15,790,000 | 5,000,000 | 29,500,000 | +13,710,000 | +24,500,000 |
| (Unauthorized) | (419,873,000) | (256,578,000) | DEFER | DEFER | DEFER |
| Higher education facilities loans and insurance | (17,891,000) | (19,205,000) | DEFER | DEFER | DEFER |
| College housing loans (loan limitation) | (57,420,000) | --- | (60,000,000) | (+2,580,000) | (+60,000,000) |
| Total, Office of Postsecondary Education | 3,275,765,000 | 3,465,250,000 | 3,423,500,000 | +147,735,000 | -41,750,000 |
| Office of Educational Research and Improvement | | | | | |
| Educational research and statistics | 8,371,000 | --- | 8,747,000 | +376,000 | +8,747,000 |
| (Unauthorized) | (48,628,000) | (70,231,000) | DEFER | DEFER | DEFER |
| Libraries | 115,318,000 | --- | 130,000,000 | +14,682,000 | +130,000,000 |
| (Unauthorized) | (6,699,000) | --- | DEFER | DEFER | DEFER |
| Total, Office of Educational Research and Improvement | 123,689,000 | --- | 138,747,000 | +15,058,000 | +138,747,000 |

| | | | | | |
|---|---|---|---|---|---|
| **Special Institutions** | | | | | |
| American Printing House for the Blind | 5,263,000 | 5,510,000 | 5,510,000 | +247,000 | --- |
| National Technical Institute for the Deaf | 30,624,000 | 31,380,000 | 32,000,000 | +1,376,000 | +620,000 |
| Gallaudet College | 59,335,000 | 60,737,000 | 60,737,000 | +1,402,000 | --- |
| Howard University | 157,168,000 | 157,170,000 | 170,230,000 | +13,062,000 | +13,060,000 |
| Total, Special Institutions | 252,390,000 | 254,797,000 | 268,477,000 | +16,087,000 | +13,680,000 |
| **Departmental Management** | | | | | |
| Salaries and expenses | 224,939,000 | 241,192,000 | 241,692,000 | +16,753,000 | +500,000 |
| Office for Civil Rights | 41,759,000 | 38,185,000 | 38,185,000 | -3,574,000 | --- |
| Office of the Inspector General | 14,654,000 | 16,378,000 | 16,378,000 | +1,724,000 | --- |
| Total, Departmental management | 281,352,000 | 295,755,000 | 296,255,000 | +14,903,000 | +500,000 |
| Total, title III, Department of Education | 12,377,434,000 | 11,911,099,000 | 13,369,231,000 | +991,797,000 | +1,458,132,000 |
| **TITLE IV - RELATED AGENCIES** | | | | | |
| Action: Operating expenses (unauthorized) | (144,781,000) | (149,865,000) | DEFER | DEFER | DEFER |
| Corporation for Public Broadcasting: | | | | | |
| Public broadcasting fund (advance appropriation) | | | | | |
| FY 1988 | 214,000,000 | --- | --- | -214,000,000 | --- |
| FY 1989 | --- | 130,000,000 | 214,000,000 | +214,000,000 | +84,000,000 |
| Federal Mediation and Conciliation Service | 22,388,000 | 23,220,000 | 22,656,000 | +268,000 | -564,000 |
| Federal Mine Safety and Health Review Commission | 3,651,000 | 3,919,000 | 3,651,000 | --- | -268,000 |
| National Center for the Study of Afro-American History and Culture | 191,000 | --- | --- | -191,000 | --- |
| National Commission on Libraries and Information Science | 660,000 | 690,000 | 660,000 | --- | -30,000 |
| National Council on the Handicapped | 732,000 | 850,000 | 732,000 | --- | -118,000 |
| National Labor Relations Board | 129,055,000 | 130,865,000 | 129,055,000 | --- | -1,810,000 |
| National Mediation Board | 6,085,000 | 6,540,000 | 6,401,000 | +316,000 | -139,000 |
| Occupational Safety and Health Review Commission | 5,647,000 | 5,750,000 | 5,647,000 | --- | -103,000 |
| Prospective Payment Assessment Commission (trust funds) | (2,769,000) | (3,421,000) | (3,421,000) | (+652,000) | --- |
| Physician Payment Review Commission | --- | --- | (1,000,000) | (+1,000,000) | (+1,000,000) |
| Railroad Retirement Board: | | | | | |
| Dual benefits payments account | 375,135,000 | 255,880,000 | 380,000,000 | +4,865,000 | +124,120,000 |
| Federal payment to Railroad Retirement Account | 2,200,000 | 3,100,000 | 3,100,000 | +900,000 | --- |
| (Limitation on administration, retirement) | (53,039,000) | (55,614,000) | (56,634,000) | (+3,595,000) | (+1,020,000) |
| (Limitation on administration, unemployment) | (15,778,000) | (13,919,000) | (14,694,000) | (-1,084,000) | (+775,000) |
| (Inspector General) | --- | (1,167,000) | (1,167,000) | (+1,167,000) | --- |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| Soldiers' and Airmen's Home: | | | | | |
| Operation and maintenance (trust funds) | 32,196,000 | 34,022,000 | 34,022,000 | +1,826,000 | --- |
| Capital outlay (trust funds) | 13,114,000 | 4,485,000 | 15,000,000 | +1,886,000 | +10,515,000 |
| United States Institute of Peace (unauthorized) | --- | (1,250,000) | DEFER | DEFER | DEFER |
| Total, title IV, related agencies: | | | | | |
| New budget (obligational) authority | 805,054,000 | 599,321,000 | 814,924,000 | +9,870,000 | +215,603,000 |
| Appropriations, 1987 | (591,054,000) | (469,321,000) | (600,924,000) | (+9,870,000) | (+131,603,000) |
| Appropriations, 1989 | (214,000,000) | (130,000,000) | (214,000,000) | --- | (+84,000,000) |
| (Trust fund limitations) | (71,586,000) | (74,121,000) | (76,916,000) | (+5,330,000) | (+2,795,000) |
| Sec. 515 reserves (P.L. 99-190): | | | | | |
| Federal Funds | 11,702,000 | --- | --- | -11,702,000 | --- |
| (Trust fund limitations) | (919,000) | --- | --- | (-919,000) | --- |
| Grand total, titles I, II, III and IV: | | | | | |
| New budget (obligational) authority | 97,052,685,000 | 97,744,765,000 | 103,710,016,000 | +6,657,331,000 | +5,965,251,000 |
| Appropriations, 1987 | (85,364,931,000) | (85,016,700,000) | (90,897,951,000) | (+5,533,020,000) | (+5,881,251,000) |
| Appropriations, 1988 | (11,473,754,000) | (12,598,065,000) | (12,598,065,000) | (+1,124,311,000) | --- |
| Appropriations, 1989 | (214,000,000) | (130,000,000) | (214,000,000) | --- | (+84,000,000) |
| (Limitation on direct loans) | (700,000) | --- | --- | (-700,000) | --- |
| (Limitation on guaranteed loans) | (57,420,000) | --- | (60,000,000) | (+2,580,000) | (+60,000,000) |
| (Trust fund limitations) | (3,920,368,000) | (4,085,494,000) | (4,088,289,000) | (+167,921,000) | (+2,795,000) |
| (Limitation on trust fund transfers) | (3,769,851,000) | (4,033,839,000) | (4,040,740,000) | (+270,889,000) | (+6,901,000) |
| (Unauthorized) | (9,809,326,000) | (8,414,107,000) | --- | (-9,809,326,000) | (-8,414,107,000) |



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